

# CITY OF LANSING

## 2011 Comprehensive Annual Financial Report

FOR  
FISCAL YEAR ENDED JUNE 30, 2011



VIRG BERNERO, ***Mayor***  
Gerald Ambrose, *Director of Finance*

Prepared by:  
Department of Finance

# **LANSING CITY GOVERNMENT**

2011

## **MAYOR**

VIRG BERNERO

## **CLERK**

CHRIS SWOPE

## **DISTRICT COURT JUDGES**

PATRICK F. CHERRY

CHARLES F. FILICE

HUGH B. CLARKE, JR.

FRANK J. DELUCA

LOUISE ALDERSON

## **AT LARGE**

DERRICK QUINNEY

KATHIE DUNBAR

BRIAN JEFFRIES

CAROL WOOD

## **CITY COUNCIL**

## **BY WARDS**

ERIC HEWITT – 1<sup>st</sup> Ward

TINA HOUGHTON – 2<sup>nd</sup> Ward

A'LYNNE ROBINSON – 3<sup>rd</sup> Ward

JESSICA YORKO – 4<sup>th</sup> Ward

## **OFFICERS**

City Assessor..... Maria Irish  
City Attorney..... Brigham Smith  
City Treasurer..... Antonia Kraus  
Executive Assistant to the Mayor..... Gerald Ambrose  
Finance, Director of ..... Gerald Ambrose  
Fire Chief ..... William Cochran  
Human Relations & Community Services, Director of ..... Joan Jackson Johnson  
Internal Auditor ..... Arnie Yerxa  
Parks & Recreation, Director of ..... Murdock Jemerson  
Human Resources, Director of ..... Terri Singleton  
Planning & Neighborhood Development, Director of ..... Robert Johnson  
Police Chief ..... Teresa Szymnaski  
Public Service, Director of ..... Chad Gamble

## **CITY OF LANSING**

# INTRODUCTORY SECTION

# City of Lansing, Michigan

## Table of Contents

---

### Page

#### **INTRODUCTORY SECTION**

Title Page.....	i
Table of Contents .....	iv-vi
Letter of Transmittal .....	vii-xi
Certificate of Achievement.....	xii
City Organizational Structure.....	xiii

#### **FINANCIAL SECTION**

Independent Auditors' Report .....	1-2
Management's Discussion and Analysis .....	3-13
Basic Financial Statements	
Government-wide Financial Statements	
Statement of Net Assets.....	18
Statement of Activities .....	19-20
Governmental Fund Financial Statements	
Balance Sheet .....	24
Reconciliation of Fund Balances on the Balance Sheet for Governmental Funds to	
Net Assets of Governmental Activities on the Statement of Net Assets .....	25
Statement of Revenues, Expenditures and Changes in Fund Balances .....	26
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund	
Balances of Governmental Funds to the Statement of Activities .....	27
Statement of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual	
General Fund .....	28-29
Proprietary Fund Financial Statements	
Statement of Net Assets.....	32
Statement of Revenues, Expenses and Changes in Fund Net Assets .....	33
Statement of Cash Flows .....	34-35
Fiduciary Fund Financial Statements	
Statement of Fiduciary Net Assets .....	38
Statement of Changes in Fiduciary Net Assets.....	39
Component Units Financial Statements	
Combining Statement of Net Assets.....	44
Combining Statement of Activities .....	45
Index for Notes to Financial Statements .....	48
Notes to Financial Statements .....	49-88
Required Supplementary Information	
Schedules of Funding Progress and Employer Contributions:	
Employees' Retirement System.....	90
Police and Fire Retirement System .....	91
Other Postemployment Benefit Trust Funds .....	92

# City of Lansing, Michigan

## Table of Contents

---

	<u>Page</u>
Combining and Individual Fund Statements and Schedules	
Nonmajor Governmental Funds	
Combining Balance Sheet .....	94
Combining Statement of Revenues, Expenditures and Changes in Fund Balances .....	95
Nonmajor Special Revenue Funds	
Combining Balance Sheet .....	98-99
Combining Statement of Revenues, Expenditures and Changes in Fund Balances .....	100-101
Schedules of Revenues, Expenditures, and Changes in Fund	
Balances – Budget and Actual .....	102-109
Nonmajor Debt Service Funds	
Combining Balance Sheet .....	112
Combining Statement of Revenues, Expenditures and Changes in Fund Balances .....	113
Nonmajor Capital Projects Funds	
Combining Balance Sheet .....	116-117
Combining Statement of Revenues, Expenditures and Changes in Fund Balances .....	118-119
Nonmajor Permanent Funds	
Combining Balance Sheet .....	122
Combining Statement of Revenues, Expenditures and Changes in Fund Balances .....	123
Nonmajor Enterprise Funds	
Combining Statement of Net Assets.....	126-127
Combining Statement of Revenues, Expenses and Changes in Fund Net Assets .....	128-129
Combining Statement of Cash Flows .....	130-133
Internal Service Funds	
Combining Statement of Net Assets.....	136
Combining Statement of Revenues, Expenses and Changes in Fund Net Assets .....	137
Combining Statement of Cash Flows .....	138
Agency Funds	
Combining Statement of Fiduciary Assets and Liabilities .....	140
Combining Statement of Changes in Fiduciary Assets and Liabilities .....	141
<b>STATISTICAL SECTION .....</b>	<b>143</b>
Financial Trends:	
Net Assets by Component.....	145
Changes in Net Assets – Governmental Activities .....	146-147
Fund Balances – Governmental Funds .....	148
Changes in Fund Balances – Governmental Funds .....	149
Revenue Capacity:	
Assessed and Actual Value of Taxable Property .....	150
Direct and Overlapping Property Tax Rate.....	151
Principal Property Taxpayers.....	152-153
Property Tax Levies and Collections .....	154

# City of Lansing, Michigan

## Table of Contents (Concluded)

---

Debt Capacity:	
Ratios of Outstanding Debt by type .....	155
Ratios of General Bonded Debt Outstanding.....	156
Computation of Net Direct and Overlapping Debt .....	157
Legal Debt Margin.....	158
Pledged Revenue Coverage .....	159
Demographic and Economic Statistics:	
Demographic and Economic Statistics .....	160
Principal Employers.....	161-162
Operating Information:	
Full-Time Equivalent City Government Employees by Function/Program.....	163
Operating Indicators by Function/Program.....	164
Capital Asset Statistics by Function/Program.....	165



## FINANCE DEPARTMENT

831 City Hall, 124 W. Michigan Ave.  
Lansing, Michigan 48933  
(517) 483-4500

Virg Bernero, Mayor

Council President A'Lynne Robinson  
and Council Members  
10th Floor City Hall  
Lansing, Michigan 48933-1694

December 22, 2011

Dear President Robinson and Council Members:

We are pleased to submit the comprehensive annual financial report of the City of Lansing, Michigan for the fiscal year ended June 30, 2011.

The City assumes full responsibility for both the accuracy of the data and the completeness and fairness of the presentation, including all disclosures. To the best of our knowledge and belief, the enclosed data are accurate in all material respects and are reported in a manner designed to present fairly the financial position and results of operations government wide and of the various funds of the City. All disclosures necessary to enable the reader to gain an understanding of the City's financial activities have been included.

The City's fiscal year 2010/2011 financial statements have been audited by Rehmann Robson, an independent firm of licensed, certified public accountants. The goal of the independent audit is to provide reasonable assurance that the financial statements for the City of Lansing for the fiscal year-ended June 30, 2011, are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures contained in the financial statements; assessing the accounting principles used; and evaluating the overall financial statement presentation. The independent audit concluded with the rendering of an unqualified opinion on the statements, meaning the financial statements present, fairly and accurately in all material respects, the financial position of the City in conformity with Generally Accepted Accounting Principles ("GAAP"). The independent auditors' report is presented as the first component of the financial section of this report.

This letter of transmittal is designed to complement the Management's Discussion and Analysis (MD&A) and should be read in conjunction with it. The Management's Discussion and Analysis can be found immediately following the Independent Auditors' Report.



### Profile of the City of Lansing

Serving as Michigan's capital since 1848, the City of Lansing was incorporated in 1859 and operates under provisions of Public Act 279 of 1909, as amended (the "Home Rule City Act"). The City incorporates 34.7 square miles and is located in the lower middle of Michigan's Lower Peninsula and operates under a strong mayor form of government established by 1978 Charter revision.

Lansing is a mature core city with a population of 114,297, according to the 2010 census, and offers a full range of services. During the fiscal year ended June 30, 2011, the City operated police headquarters and two precincts with over 300 sworn police officers; eight fire stations with a fire protection force of over 200; over 300 miles of sanitary sewers, 230 miles of storm sewers, and 180 miles of combined sewers; over 400 miles of roads; 114 parks; a District Court; and support for human services and cultural events. The City's main sources of revenue were property taxes, income taxes, State revenue sharing, Federal entitlement grants, and charges for services, including utility billings.

### Reporting Entity

The financial reporting entity (the City) includes all of the funds and of the primary government (i.e., the City as legally defined), as well as its blended component units. Blended component units, although legally separate entities, are, in substance, part of the primary government's operations and are included as part of the primary government. The Lansing Building Authority is a blended component unit. Discretely presented component units are reported in a separate column in the combined financial statements to emphasize that they are legally separate from the primary government and to differentiate their financial position, results of operations and cash flows from those of the primary government. The Lansing Entertainment & Public Facilities Authority, Tax Increment Finance Authority, the Smart Zone, and the Brownfield Redevelopment Authority are reported as a discretely presented component units.

### Financial Management and Control

Management of the City of Lansing is responsible for establishing and maintaining internal controls designed to ensure that the assets of the government are protected from loss, theft, or misuse and to assure that adequate accounting data is compiled to allow for the accurate presentation of financial statements in conformity with generally accepted accounting principles.

To provide a reasonable basis for making these presentations, management has established a comprehensive system of internal controls designed to reasonably ensure that assets of the City are protected from loss, theft or misuse and to ensure that adequate accounting data are compiled to allow for the preparation of these financial statements in conformity with generally accepted accounting principles. Such controls include appropriate policies and procedures, ongoing risk assessment, and monitoring and review processes which are communicated throughout City operations. Because the cost of internal controls generally should not outweigh their benefits, the City's framework of internal controls has been designed to provide reasonable, rather than absolute, assurance that these objectives are met.

Because the City is a recipient of federal grant dollars, the independent audit of the financial statements of the City of Lansing was part of a broader, federally-mandated “single audit” in conformity with the provisions of the Single Audit Act of 1996 and the U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-profit Organizations*. The standards governing the single audits require the independent auditor to report not only on the fair presentation of the financial statements, but also on the audited government’s internal controls and compliance with legal requirements involving the administration of the federal awards. These reports are available in the City’s separately-issued Single Audit Report.

#### Budgeting Controls

The annual budget serves as the foundation for the City’s financial planning, policy-making, and control. The City Charter requires that the Mayor submit to the City Council a proposed budget by the fourth Monday in March. The City Council must, by charter, adopt the budget for the ensuing fiscal year by third Monday in May. The budget is adopted at the activity level within each department.

The City also maintains an encumbrance accounting system, whereby purchase orders amounts are deducted from the available budget, as one technique of accomplishing budgetary control. Encumbered amounts lapse at year end and require Council approval to be carried forward to the ensuing fiscal year for amounts greater than \$5,000 or greater than eight months old. The budget is adopted at the activity level within each department.

#### Risk Management

The City carries all-risk coverage on all real and business personal property. The total coverage is \$485 million with a \$25,000 self-insured retention. Workers Compensation is self insured with excess reinsurance coverage for claims exceeding \$500,000 from the State Accident Fund. The City carries liability coverage in the amount of \$16 million per occurrence.

## **ECONOMIC CONDITION AND OUTLOOK**

### **ECONOMIC ANALYSIS OF THE CITY OF LANSING 2010/2011**

The Michigan economy is starting to show signs of rebounding from the “Second Great Recession”, Lenders and businesses are cautiously starting to invest in what are considered safe investments. The City continues to move along and is poised to recover as the National and World economies do. Lansing’s regional unemployment rate has dropped more than 2% and is one of the lowest rates in Michigan. Lansing also tops the state in terms of growth in Gross Domestic Product. General Motors, Lansing’s largest private sector employer has been hiring and announced that there are no longer any GM employees laid-off in the Lansing area. Also the LEDC has been working on a surprising number of economic projects that have happened in 2011 and several more are slated to break ground in 2012.

- The former Knapps Centre, a \$36 million, historic 150,000 sf. former department store in downtown Lansing, will be renovated next year into a mixed use development.
- Med Assurant, a medical service provider located in Lansing, created 250 jobs.
- The former YMCA building in Lansing will be demolished and be replaced by a new four story, 228 unit, apartment building with 20,000 sf. of retail and commercial space.
- There are several major projects in the planning stage that promise to accelerate the Lansing Economy. These include two long vacant parcels of land, the former Deluxe Inn site and the Ottawa Butler parcel. Mixed use developments on these two parcels could create hundreds of jobs and provide more living options in Lansing.
- There are also exciting things about to happen along the river front in downtown Lansing. The former Lansing City market site will be redeveloped and other major develop projects will be announced very soon. These projects will carry on the momentum created the \$182 million Accident Fund project and new Lansing City Market.
- The Lansing Board of Water and Light has recently begun construction of a new \$180 million co-generation plant that will use natural gas to produce clean and affordable electricity and steam for Lansing's residents and businesses.
- Accident Fund Insurance Company of America had its grand opening of its new national headquarters. The campus rests on 7 acres of land and consists of a newly constructed parking ramp, the renovated Ottawa Street Power Station, and a new building addition.
- Blue Cross and Blue Shield of Michigan began renovations on the old Accident fund headquarters. This is to accommodate moving 260 employees from their Delta Township office and 130 employees from their Southfield office to the Downtown location.

Lansing is an environment of high-growth possibilities and a reasonably safe return on investment. Lansing is poised to benefit from the new generation of young people, entrepreneurs and new economy businesses who are now demanding an urban environment for living and working. Although tough times remain, and some people and businesses are hurting, the City of Lansing is still poised for a remarkable, sustained and historic period of economic diversity and growth.

## **Awards and Acknowledgements**

The Government Finance Officers Association (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City for its Comprehensive Annual Financial Report for the fiscal year ended June 30, 2010. This was the 33rd consecutive year that the City has received this prestigious award. In order to be awarded a Certificate of Achievement, the City must publish an easily readable and efficiently organized comprehensive annual financial report. This report satisfied both generally accepted accounting principles and applicable legal requirements.

The Certificate of Achievement is valid for a period of one year only. We believe that our current Comprehensive Annual Financial Report continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

Preparation of this comprehensive annual financial report was made possible by the dedicated service of the entire staff of the Finance Department. Each member of the department has our sincere appreciation for their contributions made in the preparation of this report and in the financial management of the City. The 33rd consecutive GFOA award, recognizing their efforts, is well deserved indeed.

Sincerely,

A handwritten signature in black ink, appearing to read 'Virg Bernero', with a stylized, flowing script.

Virg Bernero  
Mayor

A handwritten signature in black ink, appearing to read 'Gerald Ambrose', with a stylized, flowing script.

Gerald Ambrose  
Director of Finance

# Certificate of Achievement for Excellence in Financial Reporting

Presented to

City of Lansing  
Michigan

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended  
June 30, 2010

A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards in government accounting and financial reporting.

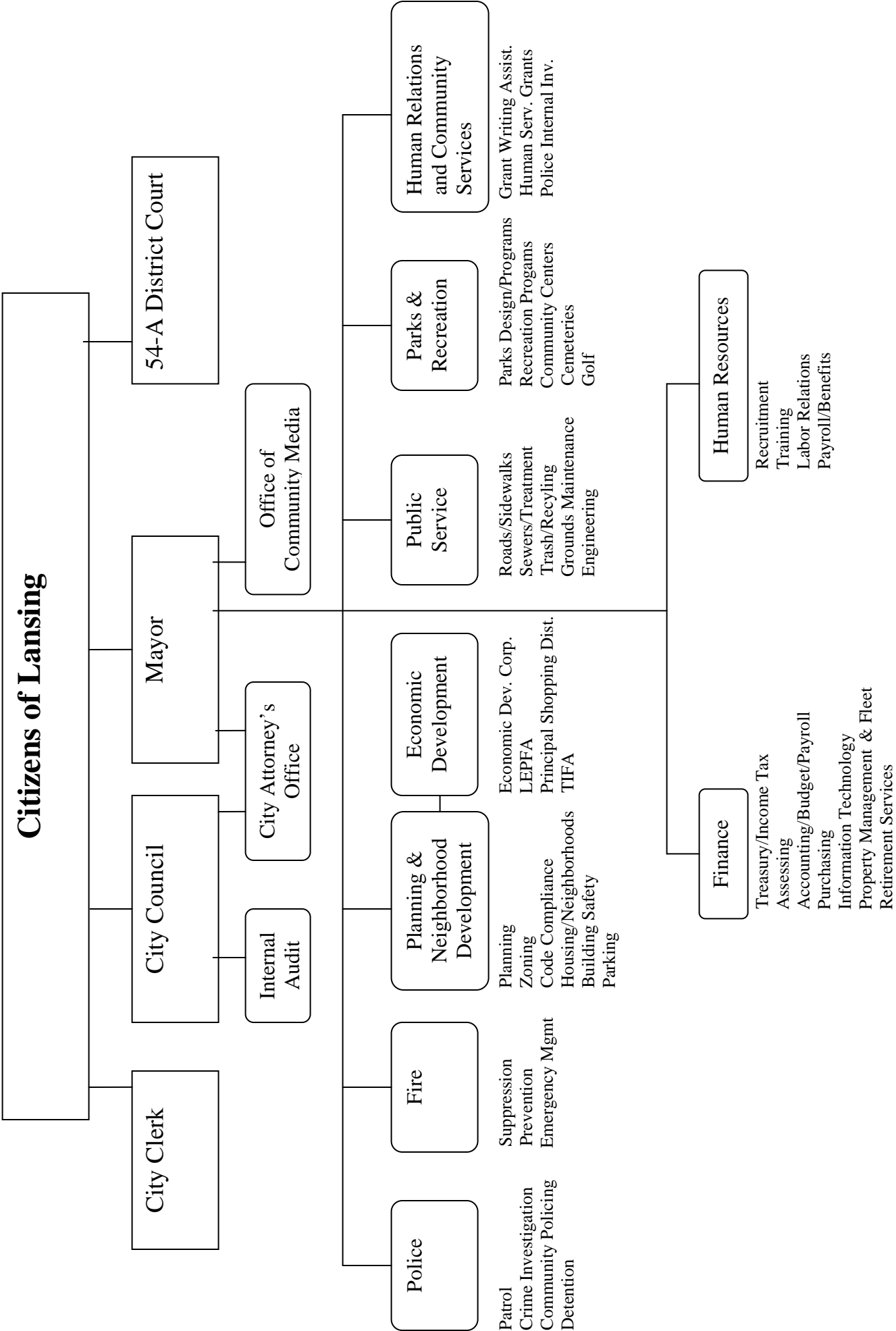


*Linda C. Sandison*

President

*Jeffrey R. Emer*

Executive Director



**CITY OF LANSING**

## FINANCIAL SECTION



**CITY OF LANSING**

**INDEPENDENT AUDITORS' REPORT**

December 22, 2011

Honorable Mayor and  
Members of the City Council  
City of Lansing, Michigan

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the ***City of Lansing, Michigan***, as of and for the year ended June 30, 2011, which collectively comprise the City's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the City of Lansing's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Lansing, Michigan, as of June 30, 2011, and the respective changes in financial position and cash flows, where applicable, thereof and the budgetary comparisons for the General Fund for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also separately issued our report dated December 22, 2011, on our consideration of the City of Lansing, Michigan's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

The Management's Discussion and Analysis on pages 3-13 and the historical supplementary information for the Employees' and Police and Fire Retirement Systems and other postemployment benefit trust funds listed in the table of contents are not a required part of the basic financial statements but are supplementary information required by the Governmental Accounting Standards Board. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit this information and express no opinion on it.

Our audit was performed for the purpose of forming opinions on the financial statements that collectively comprise the City of Lansing's basic financial statements. The introductory section, combining and individual fund financial statements and schedules, and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements. The combining and individual fund financial statements and schedules have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated, in all material respects, in relation to the basic financial statements taken as a whole. The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on them.

A handwritten signature in black ink, reading "Lehmann Johnson". The signature is written in a cursive, flowing style.

## MANAGEMENT'S DISCUSSION and ANALYSIS

## **MANAGEMENT'S DISCUSSION AND ANALYSIS**

The management of the City of Lansing, Michigan ("the City") provides this narrative overview and analysis of the financial activities of the City for the fiscal year ended June 30, 2011 for the benefit of the readers of these financial statements. This management's discussion and analysis ("MD&A") is intended to assist the reader in focusing on significant financial issues and provide an overview of the City's financial activity. The City encourages the readers to consider the following information here in conjunction with the financial statements taken as a whole, which follow this section.

### **HIGHLIGHTS**

- Total government-wide assets of the City exceeded its liabilities at the close of the fiscal year by \$427.9 million (reported as *net assets*), a decrease of \$10.2 million from fiscal year 2009/2010. Component units of the City reported a deficit of net assets of \$34.2 million, an improvement of \$700,000 from the previous year. This component unit deficit is planned to be covered by future tax revenue captures in the TIFA, Smart Zone, and Brownfield Component Units.
- As of the close of the 2010/2011 fiscal year, the City's governmental funds reported combined ending fund balances of \$20.3 million. Of this, \$10.6 million is legally restricted and/or unavailable to spend (i.e. amounts tied up in inventories), and \$5.1 million is committed for designated projects, leaving \$4.6 million unrestricted/uncommitted.
- At the end of the fiscal year, unassigned fund balance for the General Fund, (including the amount internally identified as a Budget Stabilization Fund), was \$4.9 million. The general fund in total experienced a fund balance decrease of \$0.9 million from FY 2009/2010. Please see the "General Fund and Budgetary Highlights" section of this Management Discussion and Analysis (page 14) for further detail.
- The business-type activities reported net assets at year-end of \$251.4 million, an increase of \$6.4 million during the year which is the result of the receipt of federal stimulus dollars for the City's Combined Sewer Overflow (CSO) and tertiary building projects, sewer fund operations needed to support the CSO-incurred debt long-term, and the conversion of a loan to a grant in the City's parking system.
- The City's total bonded and loaned debt was \$272.7 million at June 30, 2011, a decrease of \$5.4 million (or 2.8%), which represents the net difference between new issuances, payments, refunding of outstanding debt, and conversion of a loan to a grant. During the year, the City issued debt of \$3.2 million in limited tax general obligation bonds for the consolidation of its fleet/garage operations from two facilities to one and \$5.1 million to refund sewer and fire station bond issues. \$3 million of a \$4.2 million loan from the State of Michigan was converted to a grant in the City's parking system. More detailed information regarding these activities and funds can be found in footnote 3-G, Long Term Debt which begins on page 70.

### **OVERVIEW OF THE FINANCIAL STATEMENTS**

This MD&A is an introduction to the City's basic financial statements, which comprise three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other required supplementary information in addition to the basic financial statements.

**Government-wide Statements (Reporting the City as a Whole)** These statements include all non-fiduciary assets and liabilities, but exclude assets and liabilities related to pensions. The Statement of Net Assets and the Statement of Activities are two financial statements that report information about the City, as a whole, and about its activities, which provide measurements of long term trends that should help answer this question: Is the City, as a whole, better off or worse off as a result of this year's activities? Unlike the governmental funds, the current year's revenues and expenses are taken into account regardless of when cash is received or paid, known as "full accrual accounting".

The Statement of Net Assets (page 18) presents all of the City's assets and liabilities, with the difference between the two reported as "net assets". Over time, increases and decreases in net assets are an indicator of whether the City's long term financial position is improving or deteriorating.

The Statement of Activities (pages 19 and 20) presents information showing how the City's net assets changed during the most recent fiscal year. All changes in net assets are reported as soon as the underlying events giving rise to the change occur, regardless of the timing of related cash flows. Therefore, revenues and expenses are reported in these statements for some items that will only result in cash flows in future fiscal periods (e.g. uncollected taxes and earned but unused vacation leave).

The Statement of Net Assets and the Statement of Activities report three activities, as follows:

- *Governmental Activities* – Most of the City's basic services are reported under this category. Property taxes, income taxes, and intergovernmental revenues generally fund these services. The Council (legislative branch), the District Court (judicial branch), and general operations of the executive branch departments, such as police, fire, parks, public works, and staff departments fall within the governmental activities.
- *Business-type Activities* – The City charges fees to customers to help cover all or most of the costs of certain services it provides. Sewage collection and treatment and commercial area parking are examples of business-type activities.
- *Discretely Presented Component Units* – Component units are legally separate organizations for which the elected officials of the primary government are financially accountable. The City has four such discretely presented units; the Lansing Entertainment and Public Facilities Authority, the Tax Increment Finance Authority, the Brownfield Redevelopment Authority, and the Lansing Regional SmartZone.

These financial statements include two schedules (pages 25 and 27) that reconcile the amounts reported on the governmental fund financial statements (modified accrual accounting) with governmental activities (full accrual accounting) on the appropriate government-wide statements. The following summarizes the impact of transitioning from modified accrual to full accrual accounting:

- Capital assets used in governmental activities are not reported on governmental fund statements.
- Certain revenues that are earned, but not available for use within the reporting period, are reported as revenues for governmental activities, but are reported as deferred revenue on the governmental fund statements.
- Other long-term assets that are not available to pay for current period expenditures are deferred in governmental fund statements, but not deferred on the government-wide statements.
- Internal service funds are reported as governmental activities, but reported as proprietary funds in the fund financial statements.

- Bond issuance costs, discounts and premiums in the issuance of long term debt, are reported as expenditures in governmental fund statements, but are capitalized and amortized in the government-wide statements.
- Unless due and payable, long-term liabilities, such as capital lease obligations, compensated absences, litigation, and others only appear as liabilities in the government-wide statements.
- Capital outlay spending in excess of capitalization thresholds are recorded as capital assets on the government-wide statements, but are reported as expenditures on the governmental fund statements.
- Bond and note proceeds result in liabilities on the government-wide statements, but are recorded as other financing sources on the governmental fund statements.
- Certain other outflows, such as debt service principal payments, represent decreases in liabilities on the government-wide statements, but are reported as expenditures on the governmental fund statements.

The Notes to the Basic Financial Statements provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes can be found beginning on page 49 of this report.

### **Fund Financial Statements (Reporting the City's Major Funds)**

The City's Major Funds are identified as its Sewage Disposal Fund, and its Parking System Fund, along with its General Fund. The major fund financial statements begin on page 24. In addition to major funds, individual fund data for the nonmajor funds begins on page 94. A fund is a fiscal and accounting entity with a self-balancing set of accounts that the City uses to keep track of specific sources of funding and spending for a particular purpose.

- *Governmental funds* -- Most of the City's basic services are reported in the governmental funds, which focus on how money flows into and out of those funds and the balances left at year-end that are available for future spending. The governmental fund financial statements provide a detailed short-term view of the City's general government operations and the basic services it provides. Governmental fund information helps determine whether there are greater or fewer financial resources that can be spent in the near future to finance the City's programs. These funds are reported using modified accrual accounting, which measures cash and all other financial assets that can readily be converted to cash. Governmental funds include the General Fund and special revenue, capital project, debt service, and permanent funds.
- *Proprietary funds* -- When the City charges customers for the services it provides, whether to outside customers or to other agencies within the City, these services are generally reported in proprietary funds. Proprietary funds (enterprise and internal service) utilize full accrual accounting; the same method used by private sector businesses. Enterprise funds report activities that provide supplies and services to the general public. Examples are the Sewage Disposal Fund and the Parking Fund. Internal service funds are reported as governmental activities on the government-wide statements.
- *Fiduciary Funds* -- The City acts as a trustee or fiduciary, for its employee pension plans. It is also responsible for other assets that, because of a trust arrangement, can be used only for the trust beneficiaries. The City's fiduciary activities are reported in separate Statements of Fiduciary Net Assets and Changes in Fiduciary Net Assets beginning on page 38. These funds, which include pension and other employee benefit funds, are reported using full accrual accounting. The government-wide statements exclude fiduciary fund activities and balances because these assets are restricted in purpose and do not represent spendable assets of the City to finance its operations.

### Additional Required Supplementary Information

Following the basic financial statements is additional Required Supplementary Information that further explains and supports the information in the financial statements. The Required Supplementary Information includes required pension and other postemployment benefit supplementary information.

### Other Supplementary Information

Other supplementary information includes combining financial statements for nonmajor governmental, proprietary, and fiduciary funds. These funds are added together, by fund type, and presented in single columns in the basic financial statements, but are not reported individually, as with major funds, on the governmental fund financial statements.

## FINANCIAL ANALYSIS OF THE GOVERNMENT AS A WHOLE

The City's combined net assets decreased \$10.2 million over the course of this fiscal year's operations to a total of \$427.9 million. Net assets of governmental activities decreased \$16.7 million or 8.6%, and business-type activities increased \$6.5 million or 2.6%.

*Net Assets as of June 30,  
(in millions of dollars)*

	<i>Governmental Activities</i>		<i>Business-type Activities</i>		<i>Total Primary Government</i>	
	<i>2011</i>	<i>2010</i>	<i>2011</i>	<i>2010</i>	<i>2011</i>	<i>2010</i>
<b>Assets</b>						
Current and other non-current assets	\$ 53.2	\$ 55.2	\$ 79.5	\$ 86.5	\$ 132.7	\$ 141.7
Capital assets	<u>216.2</u>	<u>223.6</u>	<u>407.6</u>	<u>400.9</u>	<u>623.8</u>	<u>624.5</u>
Total assets	<u>\$ 269.4</u>	<u>\$ 278.8</u>	<u>\$ 487.1</u>	<u>\$ 487.4</u>	<u>\$ 756.5</u>	<u>\$ 766.2</u>
<b>Liabilities</b>						
Long-term liabilities	75.7	68.0	\$ 230.8	\$ 237.9	\$ 306.5	\$ 305.9
Other liabilities	<u>17.2</u>	<u>17.6</u>	<u>4.9</u>	<u>4.5</u>	<u>22.1</u>	<u>22.1</u>
Total liabilities	<u>\$ 92.9</u>	<u>\$ 85.6</u>	<u>\$ 235.7</u>	<u>\$ 242.4</u>	<u>\$ 328.6</u>	<u>\$ 328.0</u>
<b>Net assets</b>						
Invested in capital assets, net of related debt	180.5	186.5	204.1	194.9	384.6	381.4
Restricted	14.7	14.3	13.1	19.9	27.8	34.2
Unrestricted	<u>(18.8)</u>	<u>(7.6)</u>	<u>34.2</u>	<u>30.2</u>	<u>15.4</u>	<u>22.6</u>
Total net assets	<u>\$ 176.4</u>	<u>\$ 193.2</u>	<u>\$ 251.4</u>	<u>\$ 245.0</u>	<u>\$ 427.8</u>	<u>\$ 438.2</u>

The largest component (89.9%) of the City's net assets reflects its investment in capital assets (e.g. land, buildings, equipment, infrastructure, and others), less any related debt outstanding that was needed to acquire or construct the assets. Restricted net assets are the next largest component, comprising 5.8%, is subject to external restrictions such as bond covenants, City Charter, State legislation or Constitutional provision. The remaining portion, unrestricted net assets are resources that may be used at the City's discretion, but often have limitations based on policy action.



The following condensed financial information was derived from the government-wide Statement of Activities and reflects how the City's net assets changed during the fiscal year:

*Change in Net Assets  
for the Fiscal Year Ended June 30,  
(in millions of dollars)*

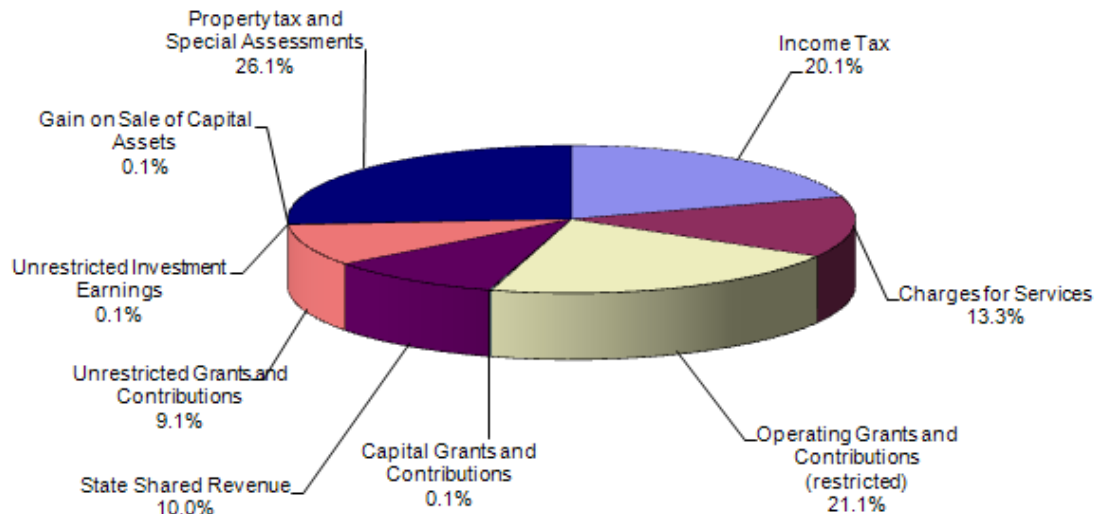
	<i>Governmental Activities</i>		<i>Business-type Activities</i>		<i>Total Primary Government</i>	
	<i>2011</i>	<i>2010</i>	<i>2011</i>	<i>2010</i>	<i>2011</i>	<i>2010</i>
<b>Revenues</b>						
Program revenues						
Charges for services	\$ 19.0	\$ 18.6	\$ 41.5	\$ 41.3	\$ 60.5	\$ 59.9
Operating grants (restricted)	30.1	27.5	4.4	1.5	34.5	29.0
Capital grants	.2	3.1	1.5	11.9	1.7	15.0
General revenues						
Taxes	65.9	66.4	-	-	65.9	66.4
State shared revenue	14.2	14.2	-	-	14.2	14.2
Unrestricted Grants and Contributions	13.0	11.6	-	-	13.0	11.6
Unrestricted Investment Earnings	.1	.3	.7	.1	.8	.4
Gain on Sale of Capital Assets	.1	.1	-	-	.1	.1
Total revenues	<u>142.6</u>	<u>141.8</u>	<u>48.1</u>	<u>54.8</u>	<u>190.7</u>	<u>196.6</u>
<b>Expenses</b>						
General government, administrative	25.7	30.3	-	-	25.7	30.3
Public Safety	83.5	84.6	-	-	83.5	84.6
Public Works	26.4 <sup>(1)</sup>	29.3	-	-	26.4	29.3
Recreation and Culture	8.2	7.3	-	-	8.2	7.3
Community Development	12.8 <sup>(1)</sup>	9.7	-	-	12.8	9.7
Interest on Long Term Debt	2.1	2.2	-	-	2.1	2.2
Sewage Disposal System	-	-	26.4	24.9	26.4	24.9
Municipal Parking System	-	-	9.9	8.3	9.9	8.3
Cemetery	-	-	.8	.6	.8	.6
Golf	-	-	.8	.9	.8	.9
Garbage and Refuse Collection	-	-	1.5	1.4	1.5	1.4
Recycling	-	-	2.8	2.8	2.8	2.8
Total expenses	<u>158.7</u>	<u>163.4</u>	<u>42.2</u>	<u>38.9</u>	<u>200.9</u>	<u>202.3</u>
Excess before transfers	(16.1)	(21.6)	5.9	15.9	(10.2)	(5.7)
Transfers in (out)	(.6)	(.4)	.6	.5	-	.1
Changes in net assets	(16.7)	(22.0)	6.4	16.4	(10.2)	(5.6)
Beginning net assets as restated	<u>193.2</u>	<u>215.2</u>	<u>245.0</u>	<u>228.6</u>	<u>438.2</u>	<u>443.8</u>
Ending net assets	<u>\$ 176.5</u>	<u>\$ 193.2</u>	<u>\$ 251.4</u>	<u>\$ 245.0</u>	<u>\$ 428.0</u>	<u>\$ 438.2</u>

(1) In FY 2011, \$3 million in functions formerly classified as Public Works was changed to Community Development

### Governmental Activities:

The following chart depicts revenues of the governmental activities for the fiscal year:

#### **Revenues - Governmental Activities Fiscal Year Ending June 30, 2011**



Property taxes comprised 26.1%, or \$37.2 million, of Governmental Activity revenue, with \$606,598 representing debt service on voted unlimited tax general obligation debt. The City's operating millage is currently 15.44 mills. In accordance with Charter and State Constitutional provisions, the City may levy up to 19.1692 mills for operations in FY 2011. 3.73 potential mills remain unlevied, which equates to approximately \$6.8 million in potential, but unlevied, property tax revenue.

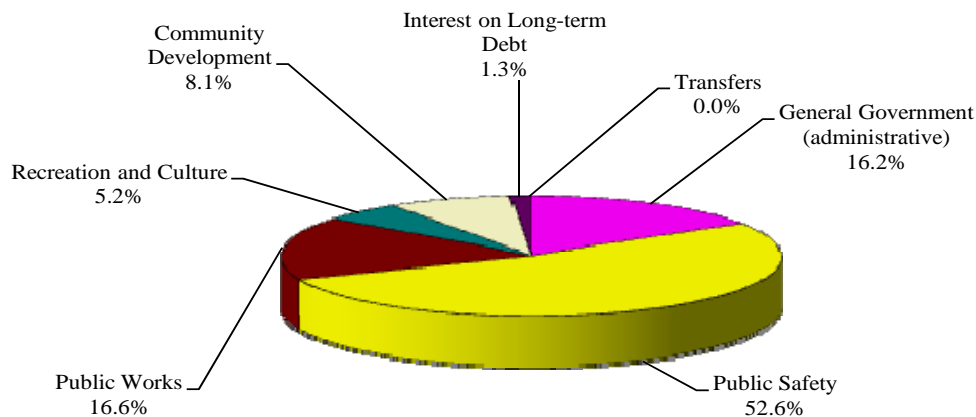
Income taxes comprised 20.1%, or \$28.7 million, of Governmental Activity revenue which, the full amount of which is revenue to the General Fund. Local income tax rates are prescribed by State law, and limited in Lansing's case to 1% of resident income and 0.5% of the income of persons working in the City, but living outside of its corporate boundaries.

Restricted Operating Grants and Contributions made up \$30.2 million, or 21.1% of Governmental Activity revenue. In this category, \$13.1 million are recurring revenues from: State Gas & Weight tax revenues restricted for streets; Community Development, HOME, and Emergency Shelter entitlement grants; and drug forfeiture funds restricted for drug enforcement efforts. The remaining \$17.1 million is attributable to non-entitlement grants.

Unrestricted Grants and Contributions account for the next-largest category of Governmental Activity Revenue, comprising 19.1%, or \$27.2 million, of revenues. Just-less-than-half of this category, \$14.2 million, is attributed to State revenue sharing, an amount distributed to municipalities by the State of Michigan by formula allocation of portions of the State sales tax and motor fuel and weight taxes. Equity payments from the independently-managed-and-operated Board of Water and Light account for \$11.7 million of the category, with remaining \$1.3 million coming from payments from the State of Michigan for a payment in lieu of tax for its fire protection for its properties and reimbursement of liquor license enforcement costs.

The following chart depicts expenses of the governmental activities for the fiscal year:

### **Expenses - Governmental Activities Fiscal Year Ending June 30, 2011**



### **Business-type Activities**

Net assets of the business-type activities increased by \$6.4 million during the fiscal year. The main cause of this increase was the result of the receipt of federal stimulus dollars for the City's Combined Sewer Overflow (CSO) and tertiary building projects, sewer fund operations needed to support the CSO-incurred debt long-term, and the conversion of a loan to a grant in the City's parking system.

### **FINANCIAL ANALYSIS OF THE CITY'S FUND STATEMENTS**

As the City completed the fiscal year, its governmental funds (see pages 24-29) reported combined ending fund balances of \$20.3 million. Of this, \$10.6 million is legally restricted and/or unavailable to spend (i.e. amounts tied up in inventories), and \$5.1 million is committed for designated projects, leaving \$4.6 million unrestricted/uncommitted, which is the "unassigned" the amounts in the City's General Fund and Budget Stabilization Fund.

### General Fund and Budgetary Highlights

The FY 2010/2011 budget was adopted as a balanced budget, based on projected revenues, without any use of reserves. Due to the continued effects of the “Great Recession,” income tax revenues and property tax revenues, affected by bankruptcies, came in lower than anticipated. At the same time, the City experienced higher-than anticipated healthcare and liability claims costs. During the fiscal year, revenue projections were downgraded and expenses adjusted accordingly, and the budget was amended to include a \$1.2 million use of reserves, \$911,972 of which was needed at year-end.

The FY 2011/2012 budget, adopted a level commensurate with the revenue levels experienced in FY 2010/2011, does not include any use of reserves.

### Sewage Disposal Fund

Net assets increased \$4.5 million to \$225.0 million in FY 2011. \$1.4 million of that increase was due to the receipt of American Reinvestment and Recovery Act (ARRA) monies for its Combined Sewer Overflow (CSO) and tertiary building projects. The remaining \$3.7 million of the increase resulted from operations during the fiscal year necessary to fund the long-term debt associated with the CSO program.

### Parking Fund

The Municipal Parking Fund net assets increased \$2.1 million, the main reason for the increase being a conversion of a loan from the State of Michigan to a grant. Operationally, the parking system had a \$455,000 loss as a result of scheduled parking ramp maintenance.

### Capital Assets

Capital Assets: At the end of the fiscal year 2011, the City had invested \$623.8 million, net of accumulated depreciation, in a broad range of capital assets (see the table below). Additional information regarding the City’s capital assets can be found in the notes to the basic financial statements. For more detailed information, please refer to footnote 3-D.

*Capital Assets as of June 30,  
(net of depreciation, in millions of dollars)*

	<i>Governmental Activities</i>		<i>Business-type Activities</i>		<i>Total Primary Government</i>	
	<i>2011</i>	<i>2010</i>	<i>2011</i>	<i>2010</i>	<i>2011</i>	<i>2010</i>
Land	\$ 24.8	\$ 24.7	\$ 13.7	\$ 13.6	\$ 38.5	\$ 38.3
Land improvements	7.0	6.1	12.7	13.1	19.7	19.2
Buildings and improvements	52.9	55.9	100.2	100.4	153.1	156.3
Equipment	7.8	7.5	.6	.9	8.4	8.4
Infrastructure	114.9	120.3	239.4	178.5	354.3	298.8
Subtotal	<u>207.4</u>	<u>214.5</u>	<u>366.6</u>	<u>306.5</u>	<u>574.0</u>	<u>521.0</u>
Construction in progress	<u>8.8</u>	<u>9.1</u>	<u>41.0</u>	<u>94.4</u>	<u>49.8</u>	<u>103.5</u>
Total	<u>\$ 216.2</u>	<u>\$ 223.6</u>	<u>\$ 407.6</u>	<u>\$ 400.9</u>	<u>\$ 623.8</u>	<u>\$ 624.5</u>

## **Debt Administration**

The City, along with the Lansing Building Authority (LBA), a blended component unit of the City, is empowered by law to authorize, issue, and sell debt obligations. Limited tax and unlimited tax general obligation bonds are backed by the full faith and credit of the City. The City also issues revenue-dedicated bonded debt, whose payment for principal and interest comes solely out of funds that receive legally-restricted revenues. The Sewage Disposal fund has the City's only dedicated revenue bonds currently outstanding. LBA's bonds financed the construction of parking, golf course, and firing range improvements. Revenues derived from user fees from persons using parking and golf facilities fund the debt service requirements for related improvements, but they are also backed by a limited tax pledge. More detailed information regarding the City's long-term obligations is presented in Note 3-G (Long-Term Debt) to the financial statements.

### ***Outstanding Debt as of June 30, (in millions of dollars)***

	<b>2011</b>	<b>2010</b>
<b><i>Governmental:</i></b>		
General obligation bonds (backed by the City)	\$ 27.7	\$ 26.2
Installment purchase contracts	9.6	10.9
Loans	0.8	1.0
Sub-total	<u>38.0</u>	<u>38.1</u>
<b><i>Business Type:</i></b>		
General obligation bonds (backed by the City)	200.5	202.8
Revenue bonds and notes (backed by specific fee revenues)	32.6	35.4
Loans	1.6	4.2
Sub-total	<u>234.7</u>	<u>242.4</u>
<b><i>Total</i></b>	<u><b>\$ 272.7</b></u>	<u><b>\$ 280.6</b></u>

During the year, the City issued debt of \$3.2 million in limited tax general obligation bonds for the consolidation of its fleet/garage operations from two facilities to one and \$5.1 million to refund sewer and fire station bond issues. More detailed information regarding these activities and funds can be found in footnote 3-G, Long Term Debt which begins on page 70.

## **ECONOMIC CONDITION AND OUTLOOK**

The State of Michigan's economic challenges, including the national recession, American automobile industry crisis, housing market and foreclosure impacts on property tax revenues, combined with rising labor force and healthcare costs, continues to place budgetary and fiscal constraints on the City of Lansing. A structural imbalance between revenue and expenditure growth exists, as is the case for the majority of cities, especially those that are urban centers, in Michigan.

To address these budgetary challenges, and to protect vital services to the public, since his inauguration in January, 2006, Mayor Bernero has implemented a budgetary strategy of maximizing revenues; reducing expenses; improving operational and technological efficiencies; consolidating like functions; collaborating with neighboring municipalities, counties, and non-profit entities to provide funding for City-owned assets that benefit the entire region. The Mayor also continues to work aggressively with the unions to contain the rising cost of healthcare and other compensation costs.

In this historic economic downturn, including the credit crisis in the private sector, the City saw significant economic development announcements and national recognition (see Economic Condition and Outlook in the Transmittal Letter). The City is poised to experience continued, significant economic growth in the next several years. As with other municipalities, especially in Michigan, the City government will continue to face significant challenges in this climate of declining property values and revenues in the face of rising compensation, healthcare, and energy costs. The Mayor is committed to directing the City in a fiscally responsible manner by living within the City's means and not relying on reserves to balance the budget.

#### **CONTACTING THE CITY FINANCE DEPARTMENT**

This financial report is designed to provide our citizens, taxpayers, customers, investors, and creditors with a general overview of the City's finances and to demonstrate the City's accountability for the money it receives. If you have any questions about this report or need additional financial information, contact the Finance Department at (517) 483-4500.

**CITY OF LANSING**

## BASIC FINANCIAL STATEMENTS



**CITY OF LANSING**

## GOVERNMENT-WIDE FINANCIAL STATEMENTS

**City of Lansing**  
Statement of Net Assets  
June 30, 2011

	<b>Primary Government</b>			<b>Component</b>
	<b>Governmental</b>	<b>Business-type</b>	<b>Totals</b>	<b>Units</b>
	<b>Activities</b>	<b>Activities</b>		
<b>Assets</b>				
Cash and investments	\$ 26,257,235	\$ 13,048,068	\$ 39,305,303	\$ 1,649,458
Receivables, net	35,730,674	32,983,995	68,714,669	1,209,512
Internal balances	(18,152,738)	18,152,738	-	-
Due from primary government	-	-	-	1,640,445
Inventories, prepaids and other assets	2,968,494	1,077,504	4,045,998	271,290
Restricted assets:				
Cash and investments	3,118,494	13,983,705	17,102,199	2,043,545
Receivables, net	-	173,213	173,213	-
Net other postemployment benefit asset	3,214,740	-	3,214,740	-
Net pension asset	19,409	-	19,409	-
Capital assets not being depreciated	33,531,959	54,749,869	88,281,828	-
Capital assets being depreciated, net	182,709,064	352,896,522	535,605,586	111,992
<b>Total assets</b>	<b>269,397,331</b>	<b>487,065,614</b>	<b>756,462,945</b>	<b>6,926,242</b>
<b>Liabilities</b>				
Accounts payable and accrued liabilities	14,015,845	3,482,054	17,497,899	1,460,938
Accrued interest payable	334,404	1,256,737	1,591,141	14,450,791
Due to component units	1,640,445	-	1,640,445	-
Unearned revenues	1,240,867	124,863	1,365,730	360,178
Long-term liabilities:				
Due within one year	6,221,332	17,570,229	23,791,561	2,023,329
Due in more than one year	49,868,147	213,224,225	263,092,372	22,792,972
Net other postemployment benefit obligation	19,568,200	-	19,568,200	-
<b>Total liabilities</b>	<b>92,889,240</b>	<b>235,658,108</b>	<b>328,547,348</b>	<b>41,088,208</b>
<b>Net assets</b>				
Invested in capital assets, net of related debt	180,571,237	204,149,751	384,720,988	100,948
Restricted for:				
Public safety	636,105	-	636,105	-
Public works	6,084,490	-	6,084,490	-
Community development	3,178,193	-	3,178,193	-
State mandated programs	52,783	-	52,783	-
Donations	41,129	-	41,129	-
Debt service	3,118,494	11,628,536	14,747,030	-
Capital projects	-	1,451,766	1,451,766	-
Endowments (nonexpendable)	1,666,377	-	1,666,377	-
Unrestricted (deficit)	(18,840,717)	34,177,453	15,336,736	(34,262,914)
<b>Total net assets (deficit)</b>	<b>\$ 176,508,091</b>	<b>\$ 251,407,506</b>	<b>\$ 427,915,597</b>	<b>\$ (34,161,966)</b>

The accompanying notes are an integral part of the financial statements.

**City of Lansing**  
Statement of Activities  
For the Year Ended June 30, 2011

<u>Functions/Programs</u>	<u>Expenses</u>	<u>Program Revenues</u>			<u>Net (Expense) Revenue</u>
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>	
<b>Primary government</b>					
Governmental activities:					
General government	\$ 25,665,269	\$ 6,742,306	\$ 2,069,748	\$ -	\$ (16,853,215)
Public safety	83,546,997	8,975,173	9,860,844	-	(64,710,980)
Public works	26,355,375	2,449,606	8,948,701	189,414	(14,767,654)
Recreation and culture	8,245,451	685,120	112,987	-	(7,447,344)
Community development	12,825,028	122,326	9,157,998	-	(3,544,704)
Interest on long-term debt	2,116,535	-	4,403	-	(2,112,132)
Total governmental activities	158,754,655	18,974,531	30,154,681	189,414	(109,436,029)
Business-type activities:					
Sewage disposal system	26,444,741	29,205,945	-	1,439,044	4,200,248
Municipal parking system	9,896,498	7,539,179	4,456,708	-	2,099,389
Cemetery	755,766	225,947	-	-	(529,819)
Golf	846,817	382,546	-	-	(464,271)
Garbage and rubbish collection	1,515,600	1,507,577	-	-	(8,023)
Recycling	2,809,353	2,609,423	-	-	(199,930)
Total business-type activities	42,268,775	41,470,617	4,456,708	1,439,044	5,097,594
<b>Total primary government</b>	<u>\$ 201,023,430</u>	<u>\$ 60,445,148</u>	<u>\$ 34,611,389</u>	<u>\$ 1,628,458</u>	<u>\$ (104,338,435)</u>
<b>Component units</b>					
Brownfield redevelopment	\$ 1,035,573	\$ -	\$ 188,777	\$ -	\$ (846,796)
Community development	4,534,643	-	-	-	(4,534,643)
Recreation and culture	5,950,812	4,781,914	1,087,467	-	(81,431)
<b>Total component units</b>	<u>\$ 11,521,028</u>	<u>\$ 4,781,914</u>	<u>\$ 1,276,244</u>	<u>\$ -</u>	<u>\$ (5,462,870)</u>

Continued...

**City of Lansing**  
Statement of Activities (Concluded)  
For the Year Ended June 30, 2011

	<b>Primary Government</b>			
	<b>Governmental Activities</b>	<b>Business-type Activities</b>	<b>Totals</b>	<b>Component Units</b>
<b>Changes in net assets</b>				
Net (expense) revenue	\$ (109,436,029)	\$ 5,097,594	\$ (104,338,435)	\$ (5,462,870)
<b>General revenues</b>				
Property taxes	37,233,590	-	37,233,590	6,183,921
Income taxes	28,699,749	-	28,699,749	-
Grants and contributions not restricted to specific programs	27,254,574	-	27,254,574	-
Unrestricted investment earnings	89,735	689,883	779,618	9,224
Gain on sale of capital assets	108,601	21,166	129,767	-
<b>Transfers - internal activities</b>	<u>(633,814)</u>	<u>633,814</u>	<u>-</u>	<u>-</u>
Total general revenues and transfers	<u>92,752,435</u>	<u>1,344,863</u>	<u>94,097,298</u>	<u>6,193,145</u>
Change in net assets	(16,683,594)	6,442,457	(10,241,137)	730,275
Net assets (deficit), beginning of year	<u>193,191,685</u>	<u>244,965,049</u>	<u>438,156,734</u>	<u>(34,892,241)</u>
<b>Net assets (deficit), end of year</b>	<u><u>\$ 176,508,091</u></u>	<u><u>\$ 251,407,506</u></u>	<u><u>\$ 427,915,597</u></u>	<u><u>\$ (34,161,966)</u></u>

The accompanying notes are an integral part of the financial statements.

## FUND FINANCIAL STATEMENTS

**CITY OF LANSING**

# **Governmental Fund Financial Statements**

## **Major Funds**

**General Fund** – The general fund is the general operating fund of the City. It is used to account for and report all financial resources not accounted for and reported in another fund.

## **Nonmajor Funds**

Nonmajor governmental funds are presented, by fund type, beginning on the pages listed below:

Special revenue funds, page 98.

Debt service funds, page 112.

Capital projects funds, page 116.

Permanent funds, page 122.



**City of Lansing**  
Balance Sheet - Governmental Funds  
June 30, 2011

	<b>General</b>	<b>Other Governmental Funds</b>	<b>Totals</b>
<b>Assets</b>			
Cash and cash equivalents	\$ 1,602,327	\$ 1,464,668	\$ 3,066,995
Equity in pooled cash	5,298,137	12,942,498	18,240,635
Investments	-	1,395,598	1,395,598
Accounts receivable, net	14,332,819	1,563,402	15,896,221
Taxes receivable	323,633	-	323,633
Special assessments receivable	198	806,631	806,829
Loans receivable	-	1,438,076	1,438,076
Accrued interest receivable	-	1,940,117	1,940,117
Due from other funds	6,391,994	-	6,391,994
Advances to other funds	-	80,531	80,531
Due from other governments	5,878,115	6,700,537	12,578,652
Inventories	123,910	1,059,599	1,183,509
Prepays	47,676	-	47,676
<b>Total assets</b>	<b>\$ 33,998,809</b>	<b>\$ 29,391,657</b>	<b>\$ 63,390,466</b>
<b><u>Liabilities and fund balances</u></b>			
<b>Liabilities</b>			
Accounts payable	\$ 2,052,675	\$ 2,688,456	\$ 4,741,131
Deposits payable	-	44,345	44,345
Accrued payroll	1,974,022	186,782	2,160,804
Retainage payable	1,458,156	-	1,458,156
Due to other funds	17,139,159	5,542,969	22,682,128
Due to component units	1,640,445	-	1,640,445
Advance from other funds	-	243,379	243,379
Due to other governments	1,547,503	592,290	2,139,793
Deferred revenue	2,574,820	5,137,466	7,712,286
Other	281,542	-	281,542
<b>Total liabilities</b>	<b>28,668,322</b>	<b>14,435,687</b>	<b>43,104,009</b>
<b>Fund balances (Note 3-H)</b>			
Nonspendable	171,586	3,006,507	3,178,093
Restricted	41,129	7,412,008	7,453,137
Committed	178,081	4,908,740	5,086,821
Unassigned (deficit)	4,939,691	(371,285)	4,568,406
<b>Total fund balances</b>	<b>5,330,487</b>	<b>14,955,970</b>	<b>20,286,457</b>
<b>Total liabilities and fund balances</b>	<b>\$ 33,998,809</b>	<b>\$ 29,391,657</b>	<b>\$ 63,390,466</b>

The accompanying notes are an integral part of the financial statements.

**City of Lansing**  
Reconciliation of Fund Balances on the Balance Sheet  
for Governmental Funds to Net Assets of  
Governmental Activities on the Statement of Net Assets  
June 30, 2011

<b>Fund balances - total governmental funds</b>	\$ 20,286,457
---	---------------

Amounts reported for *governmental activities* in the statement of net assets are different because:

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.

Capital assets not being depreciated	33,476,662
Capital assets being depreciated, net	175,378,768

Because the focus of governmental funds is on short-term financing, some assets will not be available to pay for current expenditures. Those assets (i.e., receivables) are offset by deferred revenues in the governmental funds and, therefore, are not included in fund balance.

Deferred ambulance fees receivable	1,682,163
Deferred nuisance fees receivable	752,520
Deferred loans receivable	1,238,076
Deferred long-term interest receivable	1,940,117
Deferred long-term special assessments receivable	718,406
Deferred long-term taxes and tax settlement receivables	140,137

Internal service funds are used by management to charge the costs of certain equipment maintenance to individual funds. The assets and liabilities of the internal service funds are included in governmental activities in the statement of net assets.

8,895,732

Prepaid costs related to other postemployment benefits are not available for current period expenditures and, therefore, are not reported in the funds.

Net other postemployment benefit plan asset	3,214,740
Net pension asset	19,409

Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds.

Bonds, loans and leases payable	(34,111,841)
Accrued interest on bonds, loans and leases payable	(302,697)
Deferred bond issuance costs, net	90,317
Net other postemployment benefit obligation	(19,568,200)
Compensated absences and other long-term liabilities	(17,342,675)

<b>Net assets of governmental activities</b>	<b>\$ 176,508,091</b>
--	-----------------------

The accompanying notes are an integral part of the financial statements.

**City of Lansing**  
Statement of Revenues, Expenditures  
and Changes in Fund Balances  
Governmental Funds  
For the Year Ended June 30, 2011

	<b>General</b>	<b>Other Governmental Funds</b>	<b>Totals</b>
<b>Revenues</b>			
Taxes and special assessments	\$ 36,352,257	\$ 1,019,628	\$ 37,371,885
Income taxes	28,699,749	-	28,699,749
Licenses and permits	1,598,804	-	1,598,804
Intergovernmental	15,483,316	24,821,469	40,304,785
Charges for services	10,450,542	8,155,762	18,606,304
Fines and forfeits	2,931,761	393,967	3,325,728
Interest and rents	47,105	41,411	88,516
Contributions	11,811,388	10,000	11,821,388
Other revenues	210,861	293,995	504,856
	<hr/>	<hr/>	<hr/>
Total revenues	107,585,783	34,736,232	142,322,015
	<hr/>	<hr/>	<hr/>
<b>Expenditures</b>			
Current expenditures:			
General government	23,846,234	2,550,282	26,396,516
Public safety	63,794,594	6,602,641	70,397,235
Public works	6,002,823	-	6,002,823
Highways and streets	-	8,494,233	8,494,233
Recreation and culture	7,457,892	6,301	7,464,193
Other functions	2,063,394	13,611,609	15,675,003
Debt service:			
Principal	1,533,905	1,676,315	3,210,220
Interest	1,127,919	942,633	2,070,552
Issuance costs	-	48,804	48,804
Capital outlay	-	9,956,103	9,956,103
	<hr/>	<hr/>	<hr/>
Total expenditures	105,826,761	43,888,921	149,715,682
	<hr/>	<hr/>	<hr/>
Revenue over (under) expenditures	1,759,022	(9,152,689)	(7,393,667)
	<hr/>	<hr/>	<hr/>
<b>Other financing sources (uses)</b>			
Transfers in	584,149	9,017,946	9,602,095
Transfers out	(4,465,189)	(5,770,720)	(10,235,909)
Proceeds on sale of capital assets	1,210,046	-	1,210,046
Issuance of long-term debt	-	2,470,000	2,470,000
Payment to refunded bond escrow agent	-	(2,456,207)	(2,456,207)
	<hr/>	<hr/>	<hr/>
Total other financing sources (uses)	(2,670,994)	3,261,019	590,025
	<hr/>	<hr/>	<hr/>
Net change in fund balances	(911,972)	(5,891,670)	(6,803,642)
	<hr/>	<hr/>	<hr/>
Fund balances, beginning of year, as restated	6,242,459	20,847,640	27,090,099
	<hr/>	<hr/>	<hr/>
<b>Fund balances, end of year</b>	<u>\$ 5,330,487</u>	<u>\$ 14,955,970</u>	<u>\$ 20,286,457</u>

The accompanying notes are an integral part of the financial statements.

**City of Lansing**  
Reconciliation of the Statement of Revenues, Expenditures  
and Changes in Fund Balances of Governmental Funds  
to the Statement of Activities  
For the Year Ended June 30, 2011

**Net change in fund balances - total governmental funds** \$ (6,803,642)

Amounts reported for *governmental activities* in the statement of activities are different because:

Governmental funds report capital outlay as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense.

Capital assets purchased/constructed	6,044,729
Depreciation expense	(13,422,293)
Loss on disposal of capital assets	(693,706)

Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds, but rather are deferred to subsequent fiscal years.

Change in deferred ambulance fees receivable	347,560
Change in deferred nuisance fees receivable	(101,659)
Change in deferred loans receivable	53,076
Change in long-term interest receivable	69,250
Change in deferred special assessments receivable	21,078
Change in deferred taxes and tax settlement receivables	140,137

Internal service funds are used by management to charge the costs of certain equipment maintenance to individual funds. The net increase (decrease) in the net assets of the internal service funds is reported with governmental activities.

Net operating income from governmental activities in internal service funds	1,150,055
Interest revenue from governmental internal service funds	5,622
Gain on sale of capital assets from governmental internal service funds	108,601
Interest expense from governmental internal service funds	(103,510)

Debt proceeds provide current financial resources to governmental funds in the period issued, but issuing debt increases long-term liabilities in the statement of net assets. Repayment of debt principal is an expenditure in the funds, but the repayment reduces long-term liabilities in the statement of net assets.

Issuance of long-term debt	(2,470,000)
Principal payments on long-term liabilities	3,210,220
Payments to refunded bond escrow agent	2,456,207
Bond issuance costs	48,804

Certain expenditures are reported in governmental funds that reduce long-term liabilities for purposes of the statement of net assets.

Change in estimated liability for workers' compensation	(1,337,773)
---	-------------

Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in the funds.

Change in accrued interest payable on long-term liabilities	48,012
Amortization of debt-related costs	9,515
Change in net other postemployment benefit obligation	(5,675,344)
Change in net pension asset	441
Change in the accrual for compensated absences	71,831
Change in the accrual for tax settlement agreement	(260,805)
Change in the accrual for general liability claims	400,000

**Change in net assets of governmental activities** \$ (16,683,594)

The accompanying notes are an integral part of the financial statements.

**City of Lansing**  
Statement of Revenues, Expenditures  
and Changes in Fund Balances - Budget and Actual  
General Fund  
For the Year Ended June 30, 2011

	<b>Budget</b>			<b>Variance with</b>
	<b>Original</b>	<b>Final</b>	<b>Actual</b>	<b>Final Budget</b>
<b>Revenues</b>				
Property taxes	\$ 35,824,072	\$ 37,124,072	\$ 36,352,257	\$ (771,815)
Income taxes	29,700,000	29,700,000	28,699,749	(1,000,251)
Licenses and permits	1,592,240	1,592,240	1,598,804	6,564
Intergovernmental	15,114,127	15,464,127	15,483,316	19,189
Charges for services	10,439,661	10,789,661	10,450,542	(339,119)
Fines and forfeits	3,764,100	2,864,100	2,931,761	67,661
Interest and rents	553,300	153,300	47,105	(106,195)
Contributions	12,037,800	12,040,902	11,811,388	(229,514)
Other revenues	181,500	181,500	210,861	29,361
Total revenues	109,206,800	109,909,902	107,585,783	(2,324,119)
<b>Expenditures</b>				
General government:				
Attorney's office	1,268,920	1,206,220	1,244,943	(38,723)
City clerk	819,812	879,562	877,169	2,393
Council	601,683	609,683	566,389	43,294
Courts	5,065,427	5,148,227	5,000,114	148,113
Internal audit	145,710	148,540	142,341	6,199
Finance	9,698,704	9,587,224	9,530,543	56,681
Library rental	160,000	160,000	154,598	5,402
LEPFA support	1,087,467	1,087,467	1,087,467	-
Human resources	1,687,770	1,741,470	1,365,927	375,543
Mayor	705,042	718,642	708,009	10,633
Office of community media	187,406	241,306	202,032	39,274
Planning / neighborhood development	3,112,383	3,098,383	2,966,702	131,681
Budgetary savings from attrition	(1,500,000)	-	-	-
Total general government	23,040,324	24,626,724	23,846,234	780,490
Public safety:				
Police	33,112,100	34,022,789	33,649,167	373,622
Fire	28,996,301	30,293,779	30,145,427	148,352
Total public safety	62,108,401	64,316,568	63,794,594	521,974
Public works:				
Environmental	6,044,068	5,995,868	5,828,945	166,923
Sidewalks and alleys	187,930	187,930	173,878	14,052
Total public works	6,231,998	6,183,798	6,002,823	180,975
Parks and recreation	7,704,146	7,505,846	7,457,892	47,954
Other functions:				
Human relations / community services	664,770	695,670	672,559	23,111
Human services / community support	1,483,400	1,568,916	1,390,835	178,081
Total other functions	2,148,170	2,264,586	2,063,394	201,192

Continued...

**City of Lansing**  
Statement of Revenues, Expenditures  
and Changes in Fund Balances - Budget and Actual (Concluded)  
General Fund  
For the Year Ended June 30, 2011

	<b>Budget</b>		<b>Actual</b>	<b>Variance with Final Budget</b>
	<b>Original</b>	<b>Final</b>		
<b>Expenditures (concluded)</b>				
Debt service:				
Principal	\$ 2,014,537	\$ 2,014,537	\$ 1,533,905	\$ 480,632
Interest	695,723	695,723	1,127,919	(432,196)
Total debt service	<u>2,710,260</u>	<u>2,710,260</u>	<u>2,661,824</u>	<u>48,436</u>
 Total expenditures	 <u>103,943,299</u>	 <u>107,607,782</u>	 <u>105,826,761</u>	 <u>1,781,021</u>
 Revenue over (under) expenditures	 <u>5,263,501</u>	 <u>2,302,120</u>	 <u>1,759,022</u>	 <u>(543,098)</u>
<b>Other financing sources (uses)</b>				
Transfers in	1,209,200	648,000	584,149	(63,851)
Transfers out	(6,482,701)	(5,417,787)	(4,465,189)	952,598
Proceeds on sale of capital assets	<u>10,000</u>	<u>1,235,000</u>	<u>1,210,046</u>	<u>(24,954)</u>
 Total other financing sources (uses)	 <u>(5,263,501)</u>	 <u>(3,534,787)</u>	 <u>(2,670,994)</u>	 <u>863,793</u>
 Net change in fund balance	 -	 (1,232,667)	 (911,972)	 320,695
 Fund balance, beginning of year, as restated	 <u>6,242,459</u>	 <u>6,242,459</u>	 <u>6,242,459</u>	 <u>-</u>
<b>Fund balance, end of year</b>	<b><u>\$ 6,242,459</u></b>	<b><u>\$ 5,009,792</u></b>	<b><u>\$ 5,330,487</u></b>	<b><u>\$ 320,695</u></b>

The accompanying notes are an integral part of the financial statements.

**CITY OF LANSING**

## **Proprietary Fund Financial Statements**

### **Major Funds**

**Sewage Disposal System Fund** – This fund accounts for the provision of sewage disposal services to the residents of the City.

**Municipal Parking System Fund** – This fund accounts for the operation of City-owned parking facilities.

### **Nonmajor Funds and Internal Service Funds**

Nonmajor enterprise funds and internal service funds are presented, by fund type, beginning on the pages listed below:

Enterprise funds, page 126.

Internal service funds, page 136.



**City of Lansing**  
Statement of Fund Net Assets  
Proprietary Funds  
June 30, 2011

	<b>Business-type Activities - Enterprise Funds</b>				<b>Governmental Activities -</b>
	<b>Sewage Disposal System</b>	<b>Municipal Parking System</b>	<b>Other Enterprise Funds</b>	<b>Totals</b>	<b>Internal Service Funds</b>
<b>Assets</b>					
Current assets:					
Cash and cash equivalents	\$ -	\$ 371,307	\$ 14,420	\$ 385,727	\$ -
Equity in pooled cash	7,113,195	4,306,190	1,242,956	12,662,341	3,554,007
Receivables:					
Accounts, net	4,266,821	1,099,031	571,541	5,937,393	2,747,146
Accrued interest	-	109,858	-	109,858	-
Lease receivable, current	517,323	1,676,706	-	2,194,029	-
Loans receivable	-	437,059	-	437,059	-
Inventories	85,529	-	94,203	179,732	830,241
Prepays	-	-	-	-	759,373
Due from other funds	18,595,344	5,043,571	-	23,638,915	-
Advances to other funds	-	243,379	-	243,379	-
Restricted assets:					
Accounts receivable	-	173,213	-	173,213	-
Total current assets	<u>30,578,212</u>	<u>13,460,314</u>	<u>1,923,120</u>	<u>45,961,646</u>	<u>7,890,767</u>
Noncurrent assets:					
Restricted assets:					
Cash and cash equivalents	12,705,152	1,278,553	-	13,983,705	3,118,494
Lease receivable	11,570,684	12,734,972	-	24,305,656	-
Bond issue costs, net	444,639	453,133	-	897,772	57,378
Capital assets not being depreciated	41,440,109	12,786,107	523,653	54,749,869	55,297
Capital assets being depreciated, net	323,986,640	25,620,244	3,289,638	352,896,522	7,330,296
Total non-current assets	<u>390,147,224</u>	<u>52,873,009</u>	<u>3,813,291</u>	<u>446,833,524</u>	<u>10,561,465</u>
Total assets	<u>420,725,436</u>	<u>66,333,323</u>	<u>5,736,411</u>	<u>492,795,170</u>	<u>18,452,232</u>
<b>Liabilities</b>					
Current liabilities:					
Accounts payable	2,998,254	103,237	69,759	3,171,250	972,194
Deposits payable	-	25,531	-	25,531	-
Accrued interest payable	1,076,616	172,296	7,825	1,256,737	31,707
Accrued payroll	94,378	40,609	24,997	159,984	815,120
Retainage payable	-	200	-	200	-
Claims incurred but not reported	-	-	-	-	1,402,760
Due to other funds	5,459,025	-	190,000	5,649,025	1,699,756
Advances from other funds	-	80,531	-	80,531	-
Due to other governments	125,089	-	-	125,089	-
Unearned revenues	-	-	124,863	124,863	-
Current portion of:					
Bonds and notes payable	12,690,000	4,737,738	80,000	17,507,738	150,000
Compensated absences	25,135	37,356	-	62,491	79,423
Total current liabilities	<u>22,468,497</u>	<u>5,197,498</u>	<u>497,444</u>	<u>28,163,439</u>	<u>5,150,960</u>
Noncurrent liabilities:					
Bonds and notes payable, net of current portion	172,887,496	39,237,485	473,464	212,598,445	3,778,552
Compensated absences, net of current portion	377,962	123,311	124,507	625,780	626,988
Total non-current liabilities	<u>173,265,458</u>	<u>39,360,796</u>	<u>597,971</u>	<u>213,224,225</u>	<u>4,405,540</u>
Total liabilities	<u>195,733,955</u>	<u>44,558,294</u>	<u>1,095,415</u>	<u>241,387,664</u>	<u>9,556,500</u>
<b>Net assets</b>					
Invested in capital assets, net of related debt	191,937,260	8,952,664	3,259,827	204,149,751	3,457,041
Restricted for debt retirement	11,628,536	-	-	11,628,536	3,118,494
Restricted for capital projects	-	1,451,766	-	1,451,766	-
Unrestricted	21,425,685	11,370,599	1,381,169	34,177,453	2,320,197
Total net assets	<u>\$ 224,991,481</u>	<u>\$ 21,775,029</u>	<u>\$ 4,640,996</u>	<u>\$ 251,407,506</u>	<u>\$ 8,895,732</u>

The accompanying notes are an integral part of the financial statements.

**City of Lansing**  
Statement of Revenues, Expenses  
and Changes in Fund Net Assets  
Proprietary Funds  
For the Year Ended June 30, 2011

	<b>Business-type Activities - Enterprise Funds</b>				<b>Governmental Activities -</b>
	<b>Sewage Disposal System</b>	<b>Municipal Parking System</b>	<b>Other Enterprise Funds</b>	<b>Totals</b>	<b>Internal Service Funds</b>
<b>Operating revenues</b>					
Charges for services	\$ 29,205,945	\$ 7,539,179	\$ 4,725,493	\$ 41,470,617	\$ 63,935,240
Intergovernmental	-	-	-	-	1,416,366
Total operating revenues	29,205,945	7,539,179	4,725,493	41,470,617	65,351,606
<b>Operating expenses</b>					
Personal services	5,807,275	2,599,162	3,256,842	11,663,279	5,381,800
Purchase of goods and services	6,808,825	1,863,889	2,499,453	11,172,167	57,288,091
Depreciation	8,681,296	2,051,339	137,940	10,870,575	1,531,660
Total operating expenses	21,297,396	6,514,390	5,894,235	33,706,021	64,201,551
Operating income (loss)	7,908,549	1,024,789	(1,168,742)	7,764,596	1,150,055
<b>Nonoperating revenues (expenses)</b>					
Intergovernmental	-	3,000,000	-	3,000,000	-
Interest revenue	659,703	29,264	916	689,883	5,622
Gain on sale of capital assets	6,163	7,055	7,948	21,166	108,601
Interest expense and fees	(5,147,345)	(3,382,108)	(33,301)	(8,562,754)	(103,510)
Other revenue	-	1,456,708	-	1,456,708	-
Total nonoperating revenues (expenses)	(4,481,479)	1,110,919	(24,437)	(3,394,997)	10,713
Income (loss) before contributions and transfers	3,427,070	2,135,708	(1,193,179)	4,369,599	1,160,768
<b>Capital contributions - ARRA</b>	1,439,044	-	-	1,439,044	-
<b>Transfers in</b>	-	-	950,640	950,640	-
<b>Transfers out</b>	(300,000)	-	(16,826)	(316,826)	-
Change in net assets	4,566,114	2,135,708	(259,365)	6,442,457	1,160,768
Net assets, beginning of year	220,425,367	19,639,321	4,900,361	244,965,049	7,734,964
<b>Net assets, end of year</b>	<b>\$ 224,991,481</b>	<b>\$ 21,775,029</b>	<b>\$ 4,640,996</b>	<b>\$ 251,407,506</b>	<b>\$ 8,895,732</b>

The accompanying notes are an integral part of the financial statements.

**City of Lansing**  
Statement of Cash Flows  
Proprietary Funds  
For the Year Ended June 30, 2011

	<b>Business-type Activities - Enterprise Funds</b>				<b>Governmental Activities -</b>
	<b>Sewage Disposal System</b>	<b>Municipal Parking System</b>	<b>Other Enterprise Funds</b>	<b>Totals</b>	<b>Internal Service Funds</b>
<b>Cash flows from operating activities</b>					
Cash received from customers	\$ 31,592,912	\$ 14,550,891	\$ 4,750,015	\$ 50,893,818	\$ -
Cash received from interfund services	-	-	-	-	64,907,744
Cash payments for goods and services	(6,988,865)	(3,112,135)	(2,591,847)	(12,692,847)	(56,867,782)
Cash payments to employees	(5,810,525)	(2,626,391)	(3,271,048)	(11,707,964)	(5,361,890)
Net cash provided by (used for) operating activities	18,793,522	8,812,365	(1,112,880)	26,493,007	2,678,072
<b>Cash flows from noncapital financing activities</b>					
Transfers in	-	-	950,640	950,640	-
Transfers out	(300,000)	-	(16,826)	(316,826)	-
Net cash provided by (used for) noncapital financing activities	(300,000)	-	933,814	633,814	-
<b>Cash flows from capital and related financing activities</b>					
Proceeds from sale of capital assets	6,163	7,055	7,948	21,166	108,601
Acquisition and construction of capital assets	(16,382,227)	(1,284,712)	-	(17,666,939)	(2,242,787)
Capital grants received	1,439,044	-	-	1,439,044	-
Cash received for finance charges	-	1,456,708	-	1,456,708	-
Principal paid on revenue and general obligation bonds	(12,520,000)	(4,490,000)	(75,000)	(17,085,000)	(145,000)
Interest paid on revenue and general obligation bonds	(5,036,794)	(2,053,697)	(32,760)	(7,123,251)	(133,351)
Proceeds from issuance of long-term debt	14,566,536	-	-	14,566,536	3,200,000
Cash paid for bond issuance costs	(45,522)	-	-	(45,522)	(55,280)
Amount paid to refunding bond escrow agent	(2,700,927)	-	-	(2,700,927)	-
Payments received on capital lease	1,328,171	1,650,708	-	2,978,879	-
Net cash provided by (used for) capital and related financing activities	(19,345,556)	(4,713,938)	(99,812)	(24,159,306)	732,183
<b>Cash flows from investing activities</b>					
Interest and dividends received	659,703	29,264	916	689,883	5,622
Net increase (decrease) in cash and cash equivalents	(192,331)	4,127,691	(277,962)	3,657,398	3,415,877
Cash and cash equivalents, beginning of year	20,010,678	1,828,359	1,535,338	23,374,375	3,256,624
<b>Cash and cash equivalents, end of year</b>	<b>\$ 19,818,347</b>	<b>\$ 5,956,050</b>	<b>\$ 1,257,376</b>	<b>\$ 27,031,773</b>	<b>\$ 6,672,501</b>
<b>Reconciliation to statement of net assets</b>					
Cash and cash equivalents	\$ -	\$ 371,307	\$ 14,420	\$ 385,727	\$ 3,554,007
Equity in pooled cash	7,113,195	4,306,190	1,242,956	12,662,341	3,118,494
Restricted cash and cash equivalents	12,705,152	1,278,553	-	13,983,705	-
	<b>\$ 19,818,347</b>	<b>\$ 5,956,050</b>	<b>\$ 1,257,376</b>	<b>\$ 27,031,773</b>	<b>\$ 6,672,501</b>

Continued...

**City of Lansing**  
Statement of Cash Flows (Concluded)  
Proprietary Funds  
For the Year Ended June 30, 2011

	<b>Business-type Activities - Enterprise Funds</b>				<b>Governmental Activities -</b>
	<b>Sewage Disposal System</b>	<b>Municipal Parking System</b>	<b>Other Enterprise Funds</b>	<b>Totals</b>	<b>Internal Service Funds</b>
<b>Reconciliation of operating income (loss) to net cash provided by (used for) operating activities</b>					
Operating income (loss)	\$ 7,908,549	\$ 1,024,789	\$ (1,168,742)	\$ 7,764,596	\$ 1,150,055
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities					
Depreciation expense	8,681,296	2,051,339	137,940	10,870,575	1,531,660
Change in:					
Accounts receivable	(787,285)	(960,299)	24,522	(1,723,062)	(2,073,862)
Accrued interest receivable	2,189	12,583	-	14,772	-
Inventories	-	-	12,536	12,536	(5,348)
Prepays	-	-	-	-	18,247
Due from other funds	(736,888)	7,959,428	-	7,222,540	1,630,000
Advances from other funds	-	28,075	-	28,075	-
Accounts payable	489,951	(69,253)	(9,984)	410,714	(4,871)
Deposits payable	-	(19,284)	-	(19,284)	-
Accrued interest payable	(10,579)	10,692	(1,013)	(900)	15,568
Accrued payroll	(3,250)	(27,229)	(14,206)	(44,685)	(652,364)
Claims incurred but not reported	-	-	-	-	(724,646)
Due to other funds	3,172,063	-	(190,000)	2,982,063	-
Interfund payable	-	(1,222,104)	-	(1,222,104)	-
Due to other governments	-	-	-	-	1,699,756
Unearned revenues	-	-	6,497	6,497	-
Compensated absences	77,476	23,628	89,570	190,674	93,877
Total adjustments	10,884,973	7,787,576	55,862	18,728,411	1,528,017
Net cash provided by (used for) operating activities	\$ 18,793,522	\$ 8,812,365	\$ (1,112,880)	\$ 26,493,007	\$ 2,678,072

**Non-cash transactions**

During the year ended June 30, 2011, the Michigan Economic Development Corporation converted \$3,000,000 of a loan payable to the municipal parking system fund to a grant and added imputed interest from the inception of the loan to the date the \$3,000,000 was forgiven to the remaining principal balance. Of the total amount, \$2,605,791 was applied toward principal and the remainder was applied toward interest expense, per the terms of the agreement.

The accompanying notes are an integral part of the financial statements.

**CITY OF LANSING**

## **Fiduciary Fund Financial Statements**

**Pension and Other Postemployment Benefit Trust Funds** – Employee pension and other postemployment benefit trust funds accept payments made by the City, invest fund resources, calculate and pay pensions to retirees (or beneficiaries), and account for post-employment healthcare coverage.

Combining schedules for fiduciary funds are presented in the notes to the financial statements.

**Agency Funds** – These funds account for resources held in a trustee or agent capacity for the 54-A District Court.

Combining statements for agency funds are presented, by fund type, beginning on page 140.

**City of Lansing**  
Statement of Fiduciary Net Assets  
Fiduciary Funds  
June 30, 2011

	<b>Pension and Other Postemployment Trust Funds</b>	<b>Agency Funds</b>
	<hr/>	<hr/>
<b>Assets</b>		
Cash and cash equivalents	\$ 11,063,886	\$ -
Equity in pooled cash	-	72,681
Investments:		
Money market funds	4,388,031	
Government obligations	77,510,733	-
Corporate bonds	83,569,767	-
Common stocks	210,501,377	-
Mutual funds	90,556,092	-
Contribution receivable	3,364	-
Dividends and interest receivable	631,213	-
	<hr/>	<hr/>
Total assets	478,224,463	\$ 72,681
	<hr/>	<hr/>
<b>Liabilities</b>		
Accounts payable	4,391,383	\$ -
Undistributed receipts	-	72,681
	<hr/>	<hr/>
Total liabilities	4,391,383	\$ 72,681
	<hr/>	<hr/>
<b>Net assets held in trust for</b>		
Pension benefits	427,355,384	
Other postemployment benefits	46,477,696	
	<hr/>	
<b>Total net assets</b>	\$ 473,833,080	
	<hr/>	

The accompanying notes are an integral part of the financial statements.

**City of Lansing**  
Statement of Changes in Fiduciary Net Assets  
Pension and Other Postemployment Benefit Trust Funds  
For the Year Ended June 30, 2011

**Additions**

Investment income:	
Net appreciation in fair value	
of investments	\$ 69,584,793
Interest income	10,896,465
Dividend income	2,384,445
Less investment expenses	<u>(489,734)</u>
Net investment income	<u>82,375,969</u>
Contributions:	
Employer	35,173,231
Plan members	<u>4,449,280</u>
Total contributions	<u>39,622,511</u>
Total additions	<u>121,998,480</u>

**Deductions**

Participant benefits	63,534,335
Administrative expense	<u>1,441,047</u>
Total deductions	<u>64,975,382</u>
Net change in net assets held in trust	57,023,098

**Net assets held in trust for pension and other postemployment benefits**

Beginning of year	<u>416,809,982</u>
<b>End of year</b>	<u><u>\$ 473,833,080</u></u>

The accompanying notes are an integral part of the financial statements.



**CITY OF LANSING**

COMPONENT UNITS  
FINANCIAL STATEMENTS

**CITY OF LANSING**

## **Discretely Presented Component Units**

Discretely presented component units are entities that are legally separate from the City but for which the City is financially accountable, or their relationship with the City is such that exclusion would cause the City's financial statements to be misleading or incomplete. The City has four discretely presented component units:

- Brownfield Redevelopment Authority
- Tax Increment Finance Authority
- Lansing Entertainment and Public Facilities Authority
- Smart Zone

Complete financial statements for each of the individual component units, excluding Smart Zone, may be obtained from the entity's administrative offices. Separately-issued financial statements are not prepared for the Smart Zone.

**City of Lansing**  
Combining Statement of Net Assets  
Component Units  
June 30, 2011

	<b>Brownfield Redevelopment Authority</b>	<b>Tax Increment Finance Authority</b>	<b>Lansing Entertainment &amp; Public Facilities Authority</b>	<b>Smart Zone</b>	<b>Totals</b>
<b>Assets</b>					
Cash and cash equivalents	\$ 946,887	\$ 405,081	\$ 297,490	\$ -	\$ 1,649,458
Receivables, net	548,601	-	660,911	-	1,209,512
Due from primary government	267,841	1,369,992	-	2,612	1,640,445
Inventories, prepaids and other assets	20,378	163,608	87,304	-	271,290
Restricted cash and cash equivalents	-	1,709,708	333,837	-	2,043,545
Capital assets being depreciated, net	-	-	111,992	-	111,992
<b>Total assets</b>	<b>1,783,707</b>	<b>3,648,389</b>	<b>1,491,534</b>	<b>2,612</b>	<b>6,926,242</b>
<b>Liabilities</b>					
Accounts payable and accrued liabilities	898,387	-	562,551	-	1,460,938
Accrued interest payable	6,423	14,444,368	-	-	14,450,791
Unearned revenues	-	-	360,178	-	360,178
Long-term debt:					
Due within one year	405,000	1,612,968	5,361	-	2,023,329
Due in more than one year	852,059	21,935,230	5,683	-	22,792,972
<b>Total liabilities</b>	<b>2,161,869</b>	<b>37,992,566</b>	<b>933,773</b>	<b>-</b>	<b>41,088,208</b>
<b>Net assets</b>					
Invested in capital assets, net of related debt	-	-	100,948	-	100,948
Unrestricted (deficit)	(378,162)	(34,344,177)	456,813	2,612	(34,262,914)
<b>Total net assets (deficit)</b>	<b>\$ (378,162)</b>	<b>\$ (34,344,177)</b>	<b>\$ 557,761</b>	<b>\$ 2,612</b>	<b>\$ (34,161,966)</b>

The accompanying notes are an integral part of the financial statements.

**City of Lansing**  
Combining Statement of Activities  
Component Units  
For the Year Ended June 30, 2011

	<b>Brownfield Redevelopment Authority</b>	<b>Tax Increment Finance Authority</b>	<b>Lansing Entertainment &amp; Public Facilities Authority</b>	<b>Smart Zone</b>	<b>Totals</b>
<b>Expenses</b>					
Brownfield redevelopment	\$ 1,035,573	\$ -	\$ -	\$ -	\$ 1,035,573
Community development	-	4,534,643	-	-	4,534,643
Recreation and culture	-	-	5,950,812	-	5,950,812
Total expenses	<u>1,035,573</u>	<u>4,534,643</u>	<u>5,950,812</u>	<u>-</u>	<u>11,521,028</u>
<b>Program revenues</b>					
Charges for services	-	-	4,781,914	-	4,781,914
Operating grants and contributions	<u>188,777</u>	<u>-</u>	<u>1,087,467</u>	<u>-</u>	<u>1,276,244</u>
Total program revenues	<u>188,777</u>	<u>-</u>	<u>5,869,381</u>	<u>-</u>	<u>6,058,158</u>
Net program expense	<u>(846,796)</u>	<u>(4,534,643)</u>	<u>(81,431)</u>	<u>-</u>	<u>(5,462,870)</u>
<b>General revenues</b>					
Property taxes	1,177,400	5,006,521	-	-	6,183,921
Unrestricted investment earnings	<u>302</u>	<u>8,660</u>	<u>262</u>	<u>-</u>	<u>9,224</u>
Total general revenues	<u>1,177,702</u>	<u>5,015,181</u>	<u>262</u>	<u>-</u>	<u>6,193,145</u>
Change in net assets	330,906	480,538	(81,169)	-	730,275
Net assets (deficit), beginning of year	<u>(709,068)</u>	<u>(34,824,715)</u>	<u>638,930</u>	<u>2,612</u>	<u>(34,892,241)</u>
<b>Net assets (deficit), end of year</b>	<u><u>\$ (378,162)</u></u>	<u><u>\$ (34,344,177)</u></u>	<u><u>\$ 557,761</u></u>	<u><u>\$ 2,612</u></u>	<u><u>\$ (34,161,966)</u></u>

The accompanying notes are an integral part of the financial statements.

**CITY OF LANSING**

## NOTES to the FINANCIAL STATEMENTS



# City of Lansing, Michigan

## Index

### Notes to Financial Statements

---

	<u>Page</u>
<b>1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES</b>	
A. Reporting Entity.....	49
B. Basis of Presentation.....	51
C. Measurement Focus/Basis of Accounting .....	53
D. Assets, Liabilities and Equity .....	54
<b>2. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY</b>	
A. Budgetary Information.....	57
B. Deficit Fund Balance/Net Assets .....	58
<b>3. DETAILED NOTES ON ALL FUNDS</b>	
A. Deposits and Investments .....	59
B. Deposits, Investments and Securities Lending – Pension and Other Postemployment Benefit Trust Funds.....	61
C. Receivables .....	65
D. Capital Assets .....	66
E. Payables .....	68
F. Interfund Receivables, Payables and Transfers .....	68
G. Long-term Debt.....	70
H. Fund Balances – Governmental Funds .....	74
I. Net Assets Invested in Capital Assets, Net of Related Debt.....	75
J. Segment Information – Enterprise Funds .....	75
<b>4. OTHER INFORMATION</b>	
A. Risk Management .....	75
B. Property Taxes .....	76
C. Contingent Liabilities .....	77
D. Pension Plans .....	77
E. Other Postemployment Benefits .....	84
F. Restatement.....	88

# CITY OF LANSING, MICHIGAN

## Notes to Financial Statements

---

### NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

#### 1-A. Reporting Entity

The City of Lansing (the “City”) was incorporated in 1859. In 1909, the City came under the provisions of Act 279, P.A. 1909, as amended (“Home Rule City Act”). The City operates under a strong Mayor form of government in which the Mayor is responsible for implementation and administration of City policy as established by City Council.

The accounting and reporting policies of the City conform in all material respects to generally accepted accounting principles (GAAP) as applicable to governments. The Governmental Accounting Standards Board (GASB) is the standard setting body for establishing governmental accounting and financial reporting principles, which are primarily set forth in the GASB’s Codification of Governmental Accounting and Financial Reporting Standards (GASB Codification). Following is a summary of the significant policies:

As required by generally accepted accounting principles, these financial statements present the City and its component units, entities for which the City is considered to be financially accountable. The financial data of the component units are included in the City’s reporting entity because of the significance of their operational or financial relationships with the City.

- (1) **Blended Component Units:** A blended component unit is a legally separate entity from the City but is so intertwined with the City that it is, in substance, the same as the City. It is reported as part of the City and its financial data is combined with data of the appropriate funds. The City has one blended component unit, the Building Authority with a fiscal June 30 year-end. This component unit provides services primarily to benefit the City. The blended unit is described as follows:
  - (a) **Building Authority (the “Authority”):** The Authority was established by the City under Act 31, Michigan Public Acts of 1948. The Mayor, with the advice and consent of City Council, appoints the Authority’s governing body and designates management. The Authority uses the proceeds of its tax-exempt bonds to finance the construction or acquisition of capital assets for the City only. The bonds are secured by lease agreements with the City and will be retired through lease payments from the City. The financial activity, assets, liabilities and equity of the Authority are incorporated within the City’s Municipal Parking System and Golf enterprise funds, and the 1998 Building Authority Debt Service Fund.
- (2) **Discretely Presented Component Units:** Discretely presented component units are entities that are legally separate from the City but for which the City is financially accountable, or their relationship with the City is such that exclusion would cause the City’s financial statements to be misleading or incomplete. The City has four discretely presented component units, the Brownfield Redevelopment Authority, the Tax Increment Financing Authority, the Lansing Entertainment and Public Facilities Authority, and the Smart Zone, each with a fiscal June 30 year-end. The discretely presented component units are as follows:

# CITY OF LANSING, MICHIGAN

## Notes to Financial Statements

---

- (a) **Brownfield Redevelopment Authority:** The Brownfield Redevelopment Authority was established by the City on August 17, 1997, under the authority contained in Act 381, Michigan Public Acts of 1996 (the “Act”). The Act authorizes the City to establish and to designate the boundaries of a Brownfield redevelopment zone. The Brownfield Redevelopment Authority is appointed by City Council to preside over such a zone, and it is authorized to promote the revitalization of environmentally distressed areas within the City of Lansing. The Act allows the Brownfield Redevelopment Authority to participate in a broad range of improvement activities intended to encourage the reuse of industrial and commercial property by offering economic incentives for redevelopment to prevent property value deterioration. Tax increment financing plans must be approved by the City.

Tax increment financing permits the Brownfield Redevelopment Authority to capture tax revenues which are attributable to increases in the value of real and personal property located within an approved project area. Current activities of the Brownfield Redevelopment Authority include collections of property tax revenues on project areas for the Rite Aid Pharmacy and the former Motor Wheel Site Plant.

- (b) **Tax Increment Finance Authority (“TIFA”):** The TIFA was established by the City under the authority contained in Act 450, Michigan Public Acts of 1981 (“Act 450”). Act 450 authorizes the City to designate specific districts within its corporate limits as TIFA districts. The TIFA presides over such districts, formulating plans for public improvements, economic development, neighborhood revitalization, and historic preservation within the districts. Act 450 allows the TIFA to participate in a broad range of improvement activities intended to contribute to economic growth and prevent property value deterioration. The TIFA’s governing body is appointed by the Mayor with the advice and consent of the City Council. Bond issuances, to fund the above activities, are approved by the City Council and the legal liability for the debt remains with the City.

- (c) **Lansing Entertainment and Public Facilities Authority (“LEPFA”):** LEPFA was established under the charter of the City of Lansing in February 1996, replacing the former Greater Lansing Convention/Exhibition Authority, which had been responsible for operating and managing the Lansing Center and the Lansing Civic Arena (the latter through the fiscal year ended June 30, 1995). LEPFA was established to oversee the management and operations of the Lansing Center, the City Market and the Cooley Law School stadium.

LEPFA is chartered as a building authority under the provisions of Act 31, Public Acts of Michigan, 1948. In the event of dissolution or termination of LEPFA, all assets and rights of the Authority shall revert to the City. LEPFA’s Board of Commissioners consists of thirteen members appointed by the Mayor of the City of Lansing and approved by the City Council.

# CITY OF LANSING, MICHIGAN

## Notes to Financial Statements

---

- (d) **Lansing Regional SmartZone (“Smart Zone”):** The Smart Zone was established by the City of Lansing and the City of East Lansing under the authority contained in Act 281, Public Act of Michigan of 1986 (“Act 281”). Act 281 authorizes the Cities to create a multi-jurisdictional local development finance authority. The Smart Zone shall be known and exercise its powers under title of the Local Development Finance Authority of the Cities of Lansing and East Lansing. The Smart Zone is fiscally dependent on the City of Lansing; the City approves the annual budget and is responsible for managing the Smart Zone. The Smart Zone was created in order to eliminate the conditions of unemployment, underemployment and joblessness, and to promote economic growth in the City. The Smart Zone’s Board of Commissioners consists of seven members, three of which are appointed by the City of Lansing, three are appointed by the City of East Lansing, and one is appointed by the Ingham County Board of Commissioners.

**Component Unit Financial Statements:** Complete financial statements for the individual component units may be obtained from each entity’s administrative offices. Separate financial statements are not prepared for the Smart Zone.

City of Lansing Building Authority  
8th Floor  
124 West Michigan Avenue  
Lansing, Michigan 48933

Brownfield Redevelopment Authority  
401 S. Washington Square, Suite 100  
Lansing, Michigan 48933

Tax Increment Finance Authority  
401 S. Washington Square, Suite 100  
Lansing, Michigan 48933

Lansing Entertainment and Public Facility Authority  
333 East Michigan Avenue  
Lansing, Michigan 48933

### 1-B. Basis of Presentation

*Government-wide Financial Statements.* The statements of net assets and activities display information about the primary government (the City) and its component units. These statements include the financial activities of the overall government, except for fiduciary activities. Eliminations have been made to minimize the double-counting of internal activities. These statements distinguish between the City’s *governmental* and *business-type activities*. Governmental activities generally are financed through taxes, intergovernmental revenues and other nonexchange transactions. Business-type activities are financed in whole or in part by fees charged to external parties.

# CITY OF LANSING, MICHIGAN

## Notes to Financial Statements

---

The statement of activities presents a comparison between direct expenses and program revenues for the different business-type activities of the City and for each function of the City's governmental activities. Direct expenses are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular function. Indirect expense allocations that have been made in the funds have been reversed for the statement of activities. Program revenues include (a) fees, fines and charges paid by the recipients of goods or services offered by the programs and (b) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues, including all taxes, are presented as general revenues.

*Fund Financial Statements.* The fund financial statements provide information about the City's funds, including its fiduciary funds and blended component unit. Separate statements for each fund category – *governmental*, *proprietary* and *fiduciary* – are presented. The emphasis of fund financial statements is on major governmental and enterprise funds, each displayed in a separate column. All remaining governmental and enterprise funds are aggregated and reported as nonmajor funds.

The City reports the following major governmental fund:

*General fund.* This fund is the City's primary operating fund. It accounts and reports all financial resources not accounted for and reported in another fund.

The City reports the following major enterprise funds:

*Sewage Disposal System Fund.* This fund accounts for the provision of sewage disposal services to the residents of the City.

*Municipal Parking System Fund.* This fund accounts for the operation of City-owned parking facilities.

Additionally, the City reports the following fund types:

*Special revenue funds.* These funds account for and report the proceeds of specific revenue sources that are restricted or committed to expenditure for specified purposes other than debt service or capital projects.

*Debt service funds.* These funds account for and report financial resources that are restricted, committed, or assigned to expenditure for principal and interest on long-term general obligation debt of governmental funds.

*Capital projects funds.* These funds account for and report financial resources that are restricted, committed, or assigned to expenditure for capital outlays, including the acquisition or construction of capital facilities and other capital assets.

*Permanent funds.* These funds account for resources that are legally restricted to the extent that only earnings, and not principal, may be used for purposes that support the government's programs.

# CITY OF LANSING, MICHIGAN

## Notes to Financial Statements

---

*Enterprise funds.* These funds account for those operations that are financed and operated in a manner similar to private business or where the City has decided that the determination of revenues earned, costs incurred and/or net income is necessary for management accountability.

*Internal service funds.* These funds account for operations that provide services to other departments or agencies of the City, or to other governments, on a cost-reimbursement basis. This includes operating a maintenance facility for trucks and equipment used by the Public Service Department, and health care self-insurance services.

*Pension and other postemployment benefit trust funds.* These funds account for the accumulation of resources to be used for retirement annuity payments to eligible full-time employees of the City, certain healthcare costs, and other retirement distributions.

*Agency funds.* These funds account for resources held in a trustee or agent capacity for the 54-A District Court.

### 1-C. Measurement Focus/Basis of Accounting

*Government-wide, proprietary and fiduciary fund financial statements.* The government-wide, proprietary and fiduciary fund financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, except for agency funds, which do not have a measurement focus. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash flows take place.

Proprietary fund operating revenues, such as charges for services, result from exchange transactions associated with the principal activity of the fund. Exchange transactions are those in which each party receives and gives up essentially equal values. Nonoperating revenues, such as subsidies and investment earnings, result from nonexchange transactions or ancillary activities.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the City's enterprise and internal service funds are charges to customers for sales and services. Operating expenses for enterprise funds and internal service funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

Nonexchange transactions, in which the City gives (or receives) value without directly receiving (or giving) equal value in exchange, include property taxes, grants, entitlements and donations. On an accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenue from grants, entitlements and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied.

# CITY OF LANSING, MICHIGAN

## Notes to Financial Statements

---

*Governmental fund financial statements.* Governmental funds are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when measurable and available. The City considers all revenues reported in the governmental funds to be available if they are collected within three months after year-end, except for income taxes that use a 45-day collection period, property taxes that use a 60-day collection period, and reimbursement-based grants that use one year. Property taxes, income taxes, franchise taxes, licenses and interest are considered to be susceptible to accrual.

Expenditures are recorded when the related fund liability is incurred, except for principal and interest on general long-term debt, compensated absences, and claims and judgments, which are recognized as expenditures to the extent they have matured. General capital asset acquisitions are reported as expenditures in governmental funds. Proceeds of general long-term debt and acquisitions under capital leases, if any, are reported as other financing sources.

Under the terms of grant agreements, the City funds certain programs by a combination of specific cost-reimbursement grants, categorical block grants, and general revenues. Thus, when program expenses are incurred, there are both restricted and unrestricted net assets available to finance the program. It is the City's policy to first apply cost-reimbursement grant resources to such programs, followed by categorical block grants, and then by general revenues, subject to satisfying any grant program matching provisions.

As a general rule the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are payments in lieu of taxes and various other functions of the government. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

### **1-D. Assets, Liabilities and Equity**

#### **Deposits and Investments**

The City maintains an investment pool for all City funds. Each fund's portion of the investment pool is displayed on the statement of net assets/balance sheet as "equity in pooled cash." The City's cash and cash equivalents are considered to be cash on hand, demand deposits and short-term investments with original maturities of three months or less from the date of acquisition.

Restricted cash consists of amounts required to be maintained separately in accordance with bond covenants.

State statutes authorize the government to deposit in the accounts of federally insured banks, credit unions, and savings and loan associations, and to invest in obligations of the U.S. Treasury, certain commercial paper, repurchase agreements, bankers' acceptances, and mutual funds composed of otherwise legal investments.

# CITY OF LANSING, MICHIGAN

## Notes to Financial Statements

---

Investments are stated at fair value. Short-term investments are reported at cost, which approximates fair value. Securities traded on a national or international exchange are valued at the last reported sales price at current exchange rates. Mortgages are valued on the basis of future principal and interest payments, and are discounted at prevailing interest rates for similar instruments. Investments that do not have established market values are reported at estimated fair value. Cash deposits are reported at carrying amounts, which reasonably approximates fair value.

Unrealized appreciation or depreciation on pension and other postemployment benefit trust fund investments due to changes in fair value are recognized each year.

### **Receivables and Payables**

All trade and delinquent property tax receivables are shown net of an allowance for uncollectibles, as applicable.

Certain notes receivable in governmental funds consist of rehabilitation and redevelopment loans that are generally not expected or scheduled to be collected in the subsequent year.

Certain restricted receivables in business type funds are for an external agreement related to the effective sale of land.

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either *interfund receivables/payables* (i.e., the current portion of interfund loans) or *advances to/from other funds* (i.e., the non-current portion of interfund loans). All other outstanding balances between funds are reported as *due to/from other funds*. Any residual balances outstanding between the governmental and business-type activities are reported in the government-wide financial statements as *internal balances*.

### **Inventories, Prepaid Items and Other Assets**

All inventories are valued at cost using the first-in/first-out method. Inventories of governmental funds are recorded as expenditures when consumed.

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements.

Costs related to the issuance of long-term debt are amortized over the term of the related debt on a straight-line basis. The net unamortized costs at year-end is reported as "bond issue costs" in proprietary fund financial statements and as a component of "other assets" in the government-wide financial statements.

### **Capital Assets**

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items acquired or constructed since June 30, 1980), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets that are used for governmental activities are only reported in the



# CITY OF LANSING, MICHIGAN

## Notes to Financial Statements

---

government-wide statements. Infrastructure (“public domain”) assets, including roads, bridges, sanitary sewers, drains, curbs, and gutters are capitalized. With this measurement focus, all assets and liabilities (whether current or noncurrent) associated with the operations of these funds are included on the government-wide statement of net assets.

All land and non-depreciable land improvements are capitalized, regardless of cost. Equipment and vehicles are capitalized when the cost of individual items exceed \$5,000. The road and sewer networks are all capitalized regardless of cost. Buildings are capitalized over \$100,000, and the recreational facilities’ thresholds range from \$25,000 to \$50,000.

Capital assets of the primary government are depreciated using the straight-line method over the following estimated useful lives:

<u>Assets</u>	<u>Years</u>
Buildings	20-50
Improvements	8-50
Equipment	3-15
Sanitary sewers	50
Infrastructure	10-75

### Compensated Absences

It is the government’s policy to permit employees to accumulate earned but unused vacation and compensatory time benefits, subject to certain limitations. Certain bargaining unit employees are also permitted to accumulate earned but unused sick leave. All vacation and compensatory time pay and 50 percent of sick leave are accrued when incurred in the government-wide and proprietary fund financial statements. A liability for these amounts is reported in governmental funds only if they have matured, for example, as a result of employee resignations or retirements.

### Long-term Obligations

In the government-wide financial statements, and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net assets. Bond premiums and discounts, as well as issuance costs, are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are reported as deferred charges and amortized over the term of the related debt.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

# CITY OF LANSING, MICHIGAN

## Notes to Financial Statements

---

### **Fund Equity**

Governmental funds report *nonspendable fund balance* for amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact. *Restricted fund balance* is reported when externally imposed constraints are placed on the use of resources by grantors, contributors, or laws or regulations of other governments. *Committed fund balance* is reported for amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of the government's highest level of decision-making authority, the City Council. A formal resolution of the City Council is required to establish, modify, or rescind a fund balance commitment. The City reports *assigned fund balance* for amounts that are constrained by the government's *intent* to be used for specific purposes, but are neither restricted nor committed. The City currently has no assigned fund balance, as the City Council has not yet given the authority for the making of such assignments. Unassigned fund balance is the residual classification for the general fund.

When the government incurs an expenditure for purposes for which various fund balance classifications can be used, it is the government's policy to use restricted fund balance first, then committed fund balance, assigned fund balance, and finally unassigned fund balance.

## **NOTE 2 – STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY**

### **2-A. Budgetary Information**

The City follows these procedures in establishing the budgetary data reflected in the financial statements:

- On or before the fourth Monday in March, the Mayor submits to the City Council a proposed operating budget for the fiscal year commencing the following July 1. The operating budget includes proposed expenditures and the means of financing them.
- A public hearing on the proposed use of funds is held by the Mayor, and a public hearing on the annual appropriations as proposed by the City Council is held no later than one week prior to adoption of the annual appropriation measure.
- Not later than the third Monday in May, the Council adopts a budget for the ensuing fiscal year, makes an appropriation of the money needed therefore, and sets the property tax rate necessary to support the appropriations measure.
- The appropriated budget is prepared by fund, department and the mandatory expenditure accounts as established by the State of Michigan's Uniform Chart of Accounts except for the state and federal programs special revenue fund which is adopted on a project basis. The legal level of budgetary control is the mandatory expenditure accounts level. The mandatory accounts are personal services, supplies and operating expense, capital outlay, debt service, transfers and contingency. Transfers of appropriations between the mandatory accounts require the approval of the City Council. However, the Mayor may authorize budget transfers between mandatory accounts in a department, but the additional amount may not exceed fifteen (15%) of the Council's appropriation being added to, or five thousand dollars (\$5,000), whichever is less.

# CITY OF LANSING, MICHIGAN

## Notes to Financial Statements

---

Budget-to-actual schedules that demonstrate compliance at the legal level of budgetary control are not included herein as it would be impractical due to the high level of detail that would be needed. Such schedules are included in the City's separately issued Budget Report. Copies of the report may be obtained from the Finance Department, 124 West Michigan Avenue, Lansing, Michigan 48933.

- The City formally adopts operating budgets for the general fund and all special revenue funds.
- Budgetary integration is employed as a management control device during the year for all budgeted funds. Except for the general fund, these budgets are adopted on a basis consistent with generally accepted accounting principles ("GAAP"). In the general fund, capital lease payments / installment payments are budgeted, but capital lease acquisitions are not.
- Appropriations lapse at year-end for all annual budgets. Appropriations are automatically carried forward for project-type budgets.

### **2-B. Deficit Fund Balance/Net Assets**

Governmental activities reported a deficit in unrestricted net assets in the amount of \$18,799,588 at June 30, 2011. Total net assets amounted to a positive \$176,508,091.

The community development block grant program special revenue fund reported a deficit unassigned fund balance of \$200,000. Total fund balance (which included \$200,000 classified as nonspendable related to a long-term advance), was \$0.

The special assessments capital projects fund reported a deficit fund balance of \$171,285. The fund received a long-term advance from the general fund that was used to provide the working capital for the fund in prior years. The deficit is the result of deferred special assessments receivable. As special assessments are collected, this deficit will be eliminated, and the advance repaid.

The fringe benefits internal service fund has a deficit net asset balance of \$473,392. This deficit will be eliminated in future periods through adjustments to the internal charges to other funds.

The Brownfield Redevelopment Authority reported a deficit in unrestricted net assets in the amount of \$378,162 and the Tax Increment Finance Authority reported a deficit in unrestricted net assets in the amount of \$34,344,177 at June 30, 2011. These deficits are a result of full-accrual accounting for long-term debt, without reflect a corresponding receivable for tax captures to be received in future periods (which cannot be accrued in accordance with generally accepted accounting principles).

# CITY OF LANSING, MICHIGAN

## Notes to Financial Statements

### NOTE 3 – DETAILED NOTES ON ALL FUNDS

#### 3-A. Deposits and Investments

Following is a reconciliation of deposit and investment balances for the primary government (including both pooled cash and investments as well as pension and other postemployment benefit (OPEB) trust fund balances; see Note 3-B) as of June 30, 2011:

	Primary Government	Component Units	Totals
<b>Statement of Net Assets</b>			
Cash and investments	\$ 39,305,303	\$ 1,649,458	\$ 40,954,761
Restricted cash and investments	17,102,199	2,043,545	19,145,744
<b>Statement of Fiduciary Net Assets</b>			
Pension and OPEB trust funds:			
Cash and cash equivalents	11,063,886	-	11,063,886
Investments	466,526,000	-	466,526,000
Agency fund -			
Equity in pooled cash	72,681	-	72,681
<b>Total</b>	<b>\$534,070,069</b>	<b>\$ 3,693,003</b>	<b>\$ 537,763,072</b>
<b>Deposits and Investments</b>			
Bank deposits:			
Checking/savings accounts			\$ 67,382,366
Investments in securities and mutual funds:			
Pooled investments			3,753,500
Pension and OPEB investments			466,526,000
Cash on hand			101,206
<b>Total</b>			<b>\$ 537,763,072</b>

*Custodial Credit Risk – Deposits.* Custodial credit risk is the risk that in the event of a bank failure, the City's deposits may not be returned. State law does not require and the City does not have a policy for deposit custodial credit risk. As of year-end, \$34,243,594 of the City's bank balance of \$35,031,701 was exposed to custodial credit risk because it was uninsured and uncollateralized.

# CITY OF LANSING, MICHIGAN

## Notes to Financial Statements

---

The City's investment policy does not specifically address this risk, although the City believes that due to the dollar amounts of cash deposits and the limits of FDIC insurance, it is impractical to insure all bank deposits. As a result, the City evaluates each financial institution with which it deposits City funds and assesses the level of risk of each institution; only those institutions with an acceptable estimated risk level are used as depositories.

*Custodial Credit Risk – Investments.* Following is a summary of the City's pooled investments as of June 30, 2011:

Government agencies	\$ 1,999,577
Mutual funds	<u>1,753,923</u>
<b>Total</b>	<b><u>\$ 3,753,500</u></b>

For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the City will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. State law does not require and the City does not have a policy for investment custodial credit risk. On the investments listed above, there is no custodial credit risk, as these investments are uncategorized as to credit risk.

*Credit Risk.* State law limits investments to specific government securities, certificates of deposit and bank accounts with qualified financial institutions, commercial paper with specific maximum maturities and ratings when purchased, bankers acceptances of specific financial institutions, qualified mutual funds and qualified external investment pools as identified in the list of authorized investments in the summary of significant accounting policies. The City's investment policy does not have specific limits in excess of state law on investment credit risk. Credit risk ratings, where applicable, are summarized as follows:

S&P AAA/AAAm	\$ 2,108,790
Unrated	<u>1,644,710</u>
<b>Total</b>	<b><u>\$ 3,753,500</u></b>

*Interest Rate Risk.* State law limits the allowable investments and the maturities of some of the allowable investments as identified in the summary of significant accounting policies. The City's investment policy does not have specific limits in excess of state law on investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates. Maturity dates for investments held at year-end are summarized as follows:

Due in 1 to 5 years	\$ 1,999,577
No maturity	<u>1,753,923</u>
<b>Total</b>	<b><u>\$ 3,753,500</u></b>

# CITY OF LANSING, MICHIGAN

## Notes to Financial Statements

*Concentration of Credit Risk.* State law limits allowable investments but does not limit concentration of credit risk as identified in the list of authorized investments in the summary of significant accounting policies. The City's investment policy does not have specific limits in excess of state law on concentration of credit risk. All investments held at year end are reported above.

### 3-B. Deposits, Investments and Securities Lending – Pension and Other Postemployment Benefit Trust Funds

The deposits and investments of the City's pension and other postemployment benefit trust funds are maintained separately from the City's pooled cash and investments, and are subject to separate investment policies and State statutes. Accordingly, the required disclosures for the pension and OPEB deposits and investments are presented separately.

**Deposits** - The pension and OPEB trust funds do not maintain any checking or other demand/time deposit accounts. Amounts reported as cash and cash equivalents in the statement of plan net assets are composed entirely of short-term investments in money market accounts.

**Investments** - The Michigan Public Employees Retirement Systems' Investment Act, Public Act 314 of 1965, as amended, authorizes the pension trust funds to invest in stocks, government and corporate securities, mortgages, real estate, and various other investment instruments, subject to certain limitations. The retirement boards have the responsibility and authority to oversee the investment portfolio. Various professional investment managers are contracted to assist in managing the pension trust funds' assets. All investment decisions are subject to Michigan law and the investment policy established by the retirement boards.

The investments of each pension trust fund are held in a bank administered trust fund. Following is a summary of pension and OPEB investments as of June 30, 2011:

	Employees' Retirement System	Police And Fire Retirement System	Employees' Money Purchase Pension Plan	Retiree Health Care VEBA	Totals
Investments at fair value, as determined by quoted market price:					
U.S. treasuries:					
Not on securities loan	\$ 3,402,353	\$ 4,200,918	\$ -	\$ -	\$ 7,603,271
On securities loan	4,127,042	4,621,824	-	-	8,748,866
U.S. agencies:					
Not on securities loan	26,586,208	32,851,020	-	-	59,437,228
On securities loan	802,391	430,203	-	-	1,232,594
Foreign government bonds:					
Not on securities loan	155,519	333,255	-	-	488,774
Domestic corporate securities:					
Not on securities loan	37,725,289	45,844,478	-	-	83,569,767

# CITY OF LANSING, MICHIGAN

## Notes to Financial Statements

	Employees' Retirement System	Police And Fire Retirement System	Employees' Money Purchase Pension Plan	Retiree Health Care VEBA	Totals
Domestic equities:					
Not on securities loan	\$ 66,470,521	\$ 110,067,695	\$ -	\$ -	\$ 176,538,216
On securities loan	14,133,448	17,707,102	-	-	31,840,550
International equities:					
Not on securities loan	857,451	1,265,160	-	-	2,122,611
Real estate investment funds	9,546,947	10,853,190	-	-	20,400,137
Equity mutual funds		6,511,839	-	-	6,511,839
International equity mutual funds	19,973,959	29,218,680	-	392,181	49,584,820
Domestic equity mutual funds	-	-	1,801,304	6,402,241	8,203,545
Domestic debt securities mutual funds	-	-	-	5,855,751	5,855,751
Money market funds	2,092,328	2,295,703	-	-	4,388,031
<b>Total investments</b>	<b>\$ 185,873,456</b>	<b>\$ 266,201,067</b>	<b>\$ 1,801,304</b>	<b>\$ 12,650,173</b>	<b>\$ 466,526,000</b>

*Credit Risk.* The City's pension investment policies provide that at least 90% of its investments in fixed income securities be rated BBB- or better by a nationally recognized statistical rating organization and the remaining 10% be rated at least B- or better. The City's pension and OPEB investments were rated by Standard & Poor's as follows:

	Employees' Retirement System	Police and Fire Retirement System	Employees' Money Purchase Pension Plan	Retiree Health Care VEBA	Totals
AAA	\$ 3,293,179	\$ 4,003,380	\$ -	\$ -	\$ 7,296,559
Not rated	40,697,516	48,962,102	-	-	89,659,618
Assets not subject to credit risk	141,882,761	213,235,585	1,801,304	12,650,173	369,569,823
	<b>\$ 185,873,456</b>	<b>\$ 266,201,067</b>	<b>\$ 1,801,304</b>	<b>\$ 12,650,173</b>	<b>\$ 466,526,000</b>

*Custodial Credit Risk.* For investments, custodial credit risk is the risk that, in the event of the failure of the counterparty, the City will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The City's pension investment policies require that investment securities be held in trust by a third-party institution in the name of the pension trust fund. As such, although uninsured and unregistered, the City's pension investments are not exposed to custodial credit risk since the securities are held by the counterparty's trust department in the name of the pension trust fund.

# CITY OF LANSING, MICHIGAN

## Notes to Financial Statements

Short-term investments in money market funds are not subject to custodial credit risk.

*Concentration of Credit Risk.* At June 30, 2011, the pension and OPEB investment portfolio was concentrated as follows:

<u>Investment Type</u>	<u>Issuer</u>	<u>Employees' Retirement System</u>	<u>Police and Fire Retirement System</u>
Corporate bonds	Western Asset Funds, Inc.	20.3%	17.1%
Common stock	Northern Trust Bank, N.A.	17.3%	19.1%
U.S. agencies	Federal National Mortgage Association	7.0%	5.6%
U.S. treasuries	Government of the United States	5.6%	4.4%
U.S. agencies	Federal Home Loan Mortgage Corporation	5.6%	5.4%

The City's pension and OPEB investment policies require diversification of fixed income securities; however, they do not specify percentages of dollar amounts by industry or issuer.

*Foreign Currency Risk.* Foreign currency risk is the risk that changes in exchange rates will adversely affect the fair value of an investment or deposit. The pension and OPEB trusts' exposure to foreign currency risk is as follows:

<u>Investment (currency in U.S. dollar)</u>	<u>Employees' Retirement System</u>	<u>Police and Fire Retirement System</u>	<u>Retiree Health Care VEBA</u>	<u>Total</u>
International equities	\$ 857,451	\$ 1,265,160	\$ -	\$ 2,122,611
Foreign government bonds	155,519	333,255	-	488,774
International equity mutual funds	19,973,959	29,218,680	392,181	49,584,820
<b>Total</b>	<b>\$ 20,986,929</b>	<b>\$ 30,817,095</b>	<b>\$ 392,181</b>	<b>\$ 52,196,205</b>

*Interest Rate Risk.* Interest rate risk is the risk that changes in interest rates will adversely affect the fair market value of an investment. The City's pension investment policies provide that the average duration of fixed income securities shall not deviate from the Lehman Brothers Aggregate Index duration by +/-20%. As of June 30, 2011, maturities of the City's pension and OPEB trust debt securities were as follows:



# CITY OF LANSING, MICHIGAN

## Notes to Financial Statements

	Investment Maturities (Fair Value)				
	Less than 1 year	1 - 5 years	6 - 10 years	More than 10 years	Total
<b>Employees' Retirement System</b>					
U.S. treasuries	\$ -	\$ 2,371,592	\$ 2,896,163	\$ 2,261,640	\$ 7,529,395
U.S. agencies	15,741	3,304,567	9,731,335	14,336,956	27,388,599
International government bonds	-	155,519	-	-	155,519
Domestic corporate securities	37,725,289	-	-	-	37,725,289
<b>Total</b>	<b>\$ 37,741,030</b>	<b>\$ 5,831,678</b>	<b>\$ 12,627,498</b>	<b>\$ 16,598,596</b>	<b>\$ 72,798,802</b>
<b>Police and Fire Retirement System</b>					
U.S. treasuries	\$ -	\$ 2,160,222	\$ 3,495,012	\$ 3,167,508	\$ 8,822,742
U.S. agencies	33,768	4,244,682	13,763,946	15,238,827	33,281,223
International government bonds	-	333,255	-	-	333,255
Domestic corporate securities	45,632,352	212,126	-	-	45,844,478
<b>Total</b>	<b>\$ 45,666,120</b>	<b>\$ 6,950,285</b>	<b>\$ 17,258,958</b>	<b>\$ 18,406,335</b>	<b>\$ 88,281,698</b>

*Securities Lending.* Under contracts approved by the City, the pension and OPEB trust funds are permitted to lend their securities to broker-dealers and banks (borrowers) for collateral that will be returned for the same securities in the future. The pension trust and OPEB funds' custodial banks manage the securities lending programs and receive cash as collateral. The collateral securities cannot be pledged or sold by the City unless the borrower defaults. Collateral cash is initially pledged at 100 percent of the fair value of the securities lent, and may not fall below 95 percent of the market value of the loaned security during the term of the loan. At all times, collateral cannot be more than \$100,000 less than the market value of the loaned security. There are no restrictions on the amount of securities that can be loaned.

Securities on loan at year-end are classified in the preceding schedule of custodial credit risk according to the category for the collateral received on the securities lent. At year-end, the pension trust funds have no credit risk exposure to borrowers because the amounts the City owes the borrowers exceed the amounts the borrowers owe the City. At June 30, 2011, the fair value of securities on loan by the Employees' Retirement System and the Police and Fire Retirement System were \$19,062,882 and \$22,758,391, respectively, for which the Plans' received cash collateral of \$19,355,677 and \$23,155,846, respectively. The contract with the pension and OPEB trust fund custodians require them to indemnify the City if the borrowers fail to return the securities (and if the collateral is inadequate to replace the securities lent) or fail to pay the City for income distributions by the securities' issuers while the securities are on loan.

# CITY OF LANSING, MICHIGAN

## Notes to Financial Statements

### 3-C. Receivables

Receivables are comprised of the following:

	<b>Governmental Activities</b>	<b>Business- type Activities</b>
Accounts receivable	\$ 21,700,940	\$ 6,255,522
Taxes receivable	323,633	-
Special assessments receivable	806,829	-
Loans receivable	1,438,076	437,059
Accrued interest receivable	1,940,117	109,858
Due from other governments	12,763,018	-
Lease receivable	-	26,499,685
Allowance for uncollectible accounts	(3,241,939)	(318,129)
	<b>\$ 35,730,674</b>	<b>\$ 32,983,995</b>
Amount not expected to be collected within one year	<b>\$ 3,843,523</b>	<b>\$ 24,305,656</b>

Governmental funds report deferred revenue in connection with receivables for revenues that are not considered to be available to liquidate liabilities of the current period. All governmental activities defer revenue recognition in connection with resources that have been received, but not earned. At the end of the current fiscal year, the various components of deferred revenue reported in governmental funds were as follows:

	<b>Unavailable</b>	<b>Unearned</b>	<b>Total</b>
<b>Governmental funds</b>			
Ambulance fees receivable	\$ 1,682,163	\$ -	\$ 1,682,163
Nuisance fees receivable	752,520	-	752,520
Loans receivable	1,238,076	-	1,238,076
Interest on loans receivable	1,940,117	-	1,940,117
Special assessments receivable	718,406	-	718,406
Tax settlement receivable	130,002	-	130,002
Payment of lieu of taxes receivable	10,135	-	10,135
Grant funds received in advance	-	1,240,867	1,240,867
<b>Total</b>	<b>\$ 6,471,419</b>	<b>\$ 1,240,867</b>	<b>\$ 7,712,286</b>

# CITY OF LANSING, MICHIGAN

## Notes to Financial Statements

### 3-D. Capital Assets

Capital assets activity for the year ended June 30, 2011, was as follows:

#### Primary government

	Beginning Balance	Increases	Decreases	Ending Balance
<b>Governmental activities</b>				
Capital assets, not being depreciated:				
Land	\$ 24,747,436	\$ 41,200	\$ (12,530)	\$ 24,776,106
Construction in progress	9,051,450	1,513,551	(1,809,148)	8,755,853
Total capital assets not being depreciated	<u>33,798,886</u>	<u>1,554,751</u>	<u>(1,821,678)</u>	<u>33,531,959</u>
Capital assets, being depreciated:				
Land improvements	12,010,065	1,437,886	-	13,447,951
Equipment and vehicles	43,322,866	2,398,509	(1,657,603)	44,063,772
Buildings	113,380,696	473,308	(130,800)	113,723,204
Infrastructure	303,708,612	4,232,210	(5,503,760)	302,437,062
Total capital assets being depreciated	<u>472,422,239</u>	<u>8,541,913</u>	<u>(7,292,163)</u>	<u>473,671,989</u>
Less accumulated depreciation for:				
Land improvements	(5,914,232)	(455,012)	-	(6,369,244)
Equipment and vehicles	(35,785,865)	(2,118,842)	1,657,603	(36,247,104)
Buildings	(57,558,990)	(3,222,944)	-	(60,781,934)
Infrastructure	(183,360,872)	(9,157,155)	4,953,384	(187,564,643)
Total accumulated depreciation	<u>(282,619,959)</u>	<u>(14,953,953)</u>	<u>6,610,987</u>	<u>(290,962,925)</u>
Total capital assets, being depreciated, net	<u>189,802,280</u>	<u>(6,412,040)</u>	<u>(681,176)</u>	<u>182,709,064</u>
<b>Governmental activities capital assets, net</b>	<u><b>\$ 223,601,166</b></u>	<u><b>\$ (4,857,289)</b></u>	<u><b>\$ (2,502,854)</b></u>	<u><b>\$ 216,241,023</b></u>

At June 30, 2011, the City's governmental activities had outstanding commitments through construction contracts of approximately \$2,030,000.

# CITY OF LANSING, MICHIGAN

## Notes to Financial Statements

	Beginning Balance	Increases	Decreases	Ending Balance
<b>Business-type activities</b>				
Capital assets, not being depreciated:				
Land	\$ 13,598,708	\$ 131,800	\$ -	\$ 13,730,508
Construction in progress	94,392,186	13,543,155	(66,915,980)	41,019,361
Total capital assets not being depreciated	<u>107,990,894</u>	<u>13,674,955</u>	<u>(66,915,980)</u>	<u>54,749,869</u>
Capital assets, being depreciated:				
Land improvements	23,389,871	205,201	-	23,595,072
Equipment and vehicles	5,778,279	-	(120,769)	5,657,510
Buildings	196,576,877	4,217,556	-	200,794,433
Sewers	234,816,756	66,485,207	-	301,301,963
Total capital assets being depreciated	<u>460,561,783</u>	<u>70,907,964</u>	<u>(120,769)</u>	<u>531,348,978</u>
Less accumulated depreciation for:				
Land improvements	(10,347,175)	(564,497)	-	(10,911,672)
Equipment and vehicles	(4,928,672)	(249,032)	120,769	(5,056,935)
Buildings	(96,160,458)	(4,448,512)	-	(100,608,970)
Sewers	(56,266,345)	(5,608,534)	-	(61,874,879)
Total accumulated depreciation	<u>(167,702,650)</u>	<u>(10,870,575)</u>	<u>120,769</u>	<u>(178,452,456)</u>
Total capital assets, being depreciated, net	<u>292,859,133</u>	<u>60,037,389</u>	<u>-</u>	<u>352,896,522</u>
<b>Business-type activities capital assets, net</b>	<u><b>\$ 400,850,027</b></u>	<u><b>\$ 73,712,344</b></u>	<u><b>\$ (66,915,980)</b></u>	<u><b>\$ 407,646,391</b></u>

At June 30, 2011, the City's governmental activities had outstanding commitments through construction contracts of approximately \$14,400,000.

Depreciation expense was charged to functions/programs of the primary government as follows:

Governmental activities:	
General government	\$ 484,428
Public safety	600,219
Public works	9,171,654
Recreation and culture	1,550,538
Community development	1,615,454
Internal service funds	<u>1,531,660</u>
<b>Total depreciation expense - governmental activities</b>	<u><b>\$ 14,953,953</b></u>
Business-type activities:	
Sewage disposal system	\$ 8,681,296
Municipal parking system	2,051,339
Golf	98,336
Other	<u>39,604</u>
<b>Total depreciation expense - business-type activities</b>	<u><b>\$ 10,870,575</b></u>

# CITY OF LANSING, MICHIGAN

## Notes to Financial Statements

### 3-E. Payables

Accounts payable and accrued liabilities are comprised of the following:

	<b>Governmental Activities</b>	<b>Business- type Activities</b>
Accounts payable	\$ 5,713,325	\$ 3,171,450
Deposits payable	44,345	25,531
Accrued payroll	2,975,924	159,984
Contract retainage payable	1,458,156	-
Due to other governments	2,139,793	125,089
Other	1,684,302	-
	<b>\$ 14,015,845</b>	<b>\$ 3,482,054</b>

### 3-F. Interfund Receivables, Payables and Transfers

At June 30, 2011, amounts due to/due from other funds were as follows:

	<b>General Fund</b>	<b>Due From Sewage Disposal System</b>	<b>Municipal Parking System</b>	<b>Total</b>
<b>Due to</b>				
General fund	\$ -	\$ 12,113,588	\$ 5,043,571	\$ 17,139,159
Nonmajor governmental funds	932,969	4,592,000	-	5,542,969
Sewage disposal system	5,459,025	-	-	5,459,025
Nonmajor enterprise funds	-	190,000	-	190,000
Internal service funds	-	1,699,756	-	1,699,756
	<b>\$ 6,391,994</b>	<b>\$ 18,595,344</b>	<b>\$ 5,043,571</b>	<b>\$ 30,030,909</b>

The above balances generally resulted from a time lag between the dates that interfund goods and services are provided or reimbursable expenditures occur, transactions are recorded in the accounting system, and payments between funds are made.

# CITY OF LANSING, MICHIGAN

## Notes to Financial Statements

At June 30, 2011, advances to/due from other funds were as follows:

	<b>Advances To Other Funds</b>	<b>Advances From Other Funds</b>
Nonmajor governmental funds	\$ 80,531	\$ 243,379
Municipal Parking System	243,379	80,531
	<u>\$ 323,910</u>	<u>\$ 323,910</u>

For the year ended June 30, 2011, interfund transfers consisted of the following:

	<b>Transfers In</b>			
	<b>General Fund</b>	<b>Nonmajor Governmental Funds</b>	<b>Nonmajor Enterprise Funds</b>	<b>Total</b>
<b>Transfers Out:</b>				
General Fund	\$ -	\$ 4,088,319	\$ 376,870	\$ 4,465,189
Nonmajor governmental funds	284,149	4,912,801	573,770	5,770,720
Sewage Disposal System	300,000	-	-	300,000
Nonmajor enterprise funds	-	16,826	-	16,826
	<u>\$ 584,149</u>	<u>\$ 9,017,946</u>	<u>\$ 950,640</u>	<u>\$ 10,552,735</u>

Transfers are used to: (1) move revenues from the fund that is required to collect them to the fund that is required or allowed to expend them; (2) move receipts restricted to or allowed for debt service from the funds collecting the receipts to the debt service fund as debt service payments become due; and (3) use unrestricted revenues collected in the general fund to finance various programs accounted for in other funds in accordance with budgetary authorizations.

# CITY OF LANSING, MICHIGAN

## Notes to Financial Statements

### 3-G. Long-term Debt

*General obligation bonds.* The government issues general obligation bonds to provide funds for the acquisition and construction of major capital facilities. General obligation bonds are direct obligations and pledge the full faith and credit of the government. These bonds are issued as 10 to 30-year serial bonds with varying amounts of principal maturing each year. General obligation bonds currently outstanding are as follows:

	Interest Rate	Original Amount	Amount
<b>General obligation bonds</b>			
<i>Governmental activities</i>			
2006 Lansing Center Limited Tax Bonds	3.50%-4.30%	\$ 4,000,000	\$ 3,020,000
2005 Building Authority Refunding Bonds	3.50%-5.00%	1,470,000	1,005,000
2007 Michigan Transportation Fund Limited Tax Bonds	3.625%-5.00%	1,137,600	739,200
2007 Michigan Transportation Fund Limited Tax Bonds	3.625%-5.00%	3,602,400	2,340,800
2007 Fire Station Refunding Bonds	3.625%-5.00%	1,780,000	1,570,000
2008 Michigan Transportation Fund Limited Tax Bonds	3.00%-4.00%	3,500,000	3,145,000
2009 Capital Improvement Bonds - Limited Tax General Obligation	3.15-6.85%	10,197,000	10,197,000
2010 Recovery Zone Economic Development Bonds	3.40-7.25%	3,200,000	3,200,000
2010 Refunding Bonds - Limited Tax General Obligation	2.60%-2.65%	2,470,000	2,470,000
		<u>\$ 31,357,000</u>	<u>\$ 27,687,000</u>
<i>Business-type activities</i>			
1990 Building Authority Municipal Parking System Limited Tax Bond	0.00%	\$ 64,635,000	\$ 10,840,000
2003 Building Authority A Municipal Parking System Limited Tax Bond	3.00%-4.35%	10,340,000	1,370,000
2003 Building Authority B Municipal Parking System Taxable Bond	3.85%-6.25%	8,660,000	7,345,000
2005 Building Authority Refunding Bonds	3.50-5.00%	15,975,000	11,485,000
2007 Building Authority Refunding Bonds	3.625%-5.00%	7,965,000	7,865,000
1996 Building Authority Golf Course Limited Tax Bond	3.80%-5.70%	1,300,000	555,000
1992 Limited Tax Sewer Bond - 5005-01	2.50%	7,128,800	1,255,000
1993 Limited Tax Sewer Bond - 5005-02	2.50%	8,150,050	1,825,000
1994 Limited Tax Sewer Bond - 5005-03	2.50%	3,234,722	895,000
1994 Limited Tax Sewer Bond - 5005-04	2.00%	3,727,138	762,138
1994 Limited Tax Sewer Bond - 5005-05	2.25%	515,969	70,000
1994 Limited Tax Sewer Bond - 5005-06	2.25%	7,595,611	1,635,000
1996 Limited Tax Sewer Bond - 5005-07	2.25%	3,365,073	1,145,073
1996 Limited Tax Sewer Bond - 5005-08	2.25%	3,995,000	1,605,000
1997 Limited Tax Sewer Bond - 5005-09	2.25%	4,746,780	2,111,780
1998 Limited Tax Sewer Bond - 5005-10	2.25%	10,539,950	5,239,950
1999 Limited Tax Sewer Bond - 5005-11	2.50%	10,120,000	5,185,000
2000 Limited Tax Sewer Bond - 5005-12	2.50%	9,447,830	5,232,830
2001 Limited Tax Sewer Bond - 5005-13	2.50%	10,573,046	6,398,046
2002 Limited Tax Sewer Bond - 5005-14	2.50%	12,381,131	8,561,131
2003 Limited Tax Sewer Bond - 5005-15	2.50%	10,259,826	7,585,688
2004 Limited Tax Sewer Bond - 5005-16	2.13%	3,070,277	2,972,649
2005 Limited Tax Sewer Bond - 5005-17	2.13%	4,739,023	6,128,778
2005 Limited Tax Sewer Bond - 5005-18	1.63%	13,389,371	10,834,371
2006 Limited Tax Sewer Bond - 5005-19	1.63%	18,216,346	15,761,346
2007 Limited Tax Sewer Bond - 5005-20	1.63%	24,244,726	22,009,726
2008 Limited Tax Sewer Bond - 5005-21	2.50%	27,071,906	25,936,906
2009 Limited Tax Sewer Bond - 5005-22	2.50%	1,609,661	9,964,531
2009 Capital Improvement Bonds	4.10% - 7.05%	9,803,000	9,803,000
2009 Building Authority Refunding Bonds	6.014% - 6.584%	8,161,691	8,161,691
		<u>\$ 324,961,927</u>	<u>\$ 200,539,634</u>

# CITY OF LANSING, MICHIGAN

## Notes to Financial Statements

During fiscal year 2011, the City advance refunded \$2,400,000 of 2001 unlimited tax, general obligation bonds to provide resources to purchase U.S. government securities that were placed in an escrow fund for the purpose of generating resources for all future debt service payments on \$2,400,000 of refunded debt. As a result, the bonds are considered defeased and the liability has been removed from the statement of net assets. The defeased bonds were then called prior to year-end. The refunding resulted in a savings of \$196,859 and an economic gain of \$146,993.

During fiscal year 2011, the City advance refunded \$2,640,000 of 1998 sewage disposal revenue bonds to provide resources to purchase U.S. government securities that were placed in an escrow fund for the purpose of generating resources for all future debt service payments on \$2,640,000 of refunded debt. As a result, the bonds are considered defeased and the liability has been removed from the statement of net assets. The defeased bonds were then called prior to year-end. The refunding resulted in a savings of \$153,398 and an economic gain of \$88,524.

At year end, defeased bonds outstanding consisted of: \$7,485,000 of the 2003 Building Authority Municipal Parking System Limited Tax Bonds, scheduled to be paid by the escrow agent on June 1, 2013; \$5,720,000 of 1990 Building Authority Bonds, scheduled to be paid by the escrow agent in installments on June 1 of years 2012 through 2015; \$10,415,000 of 1990 Tax Increment Finance Authority Bonds, scheduled to be paid by the escrow agent in installments on May 1 of years 2016 through 2020.

*Revenue bonds.* The City also issues bonds where the income derived from the acquired or constructed assets is pledged to pay debt service. Revenue bonds outstanding at year-end are as follows:

	Interest Rate	Original Amount	Amount
<b>Revenue bonds</b>			
<i>Business-type activities</i>			
2003 Sewer Revenue & Refunding Bond	2.50%	\$ 39,880,000	\$ 29,880,000
2010 Sewage Disposal System Refunding Bond	1.76%	2,685,000	2,685,000
		<u>\$ 42,565,000</u>	<u>\$ 32,565,000</u>



# CITY OF LANSING, MICHIGAN

## Notes to Financial Statements

*Installment purchase agreements.* The government enters into installment purchase agreements for equipment and related capital assets. Installment purchase agreements outstanding at year-end are as follows:

	Interest Rate	Original Amount	Amount
<b>Installment purchase agreements</b>			
<i>Governmental activities</i>			
2004 Lease Purchase Agreement - Roof and Fire Suppression	2.77%	\$ 570,000	\$ 78,297
2005 Lease Purchase Agreement - LEPFA Extractor and Wall	4.51%	392,046	60,306
2005 Lease Purchase Agreement - LEPFA Carpet	4.51%	126,418	57,727
2005 Lease Purchase Agreement - LEPFA Equipment	4.24%	81,500	41,001
2001 Lease Purchase Agreement - O&M Facility	5.35%	1,925,000	760,000
2006 Lease Purchase Agreement - Ambulances	4.23%	474,000	102,813
2006 Lease Purchase Agreement - Energy Efficiencies	4.20%	6,217,227	5,886,017
2006 Lease Purchase Agreement - Oldsmobile Park	6.86%	2,000,000	1,500,000
2007 Lease Purchase Agreement - Oldsmobile Park	5.72%	1,000,000	750,000
2007 Lease Purchase Agreement - Phone System	4.22%	518,000	328,532
		<u>\$ 13,304,191</u>	<u>\$ 9,564,693</u>

*Loans payable.* The government has entered into loan agreements with the certain State agencies for program purposes. Loans payable at year-end are as follows:

	Interest Rate	Original Amount	Amount
<b>Loans payable</b>			
<i>Governmental activities</i>			
2004 Michigan Department of Transportation Loan	3.00%	\$ 1,266,000	\$ 673,581
2006 State Infrastructure Bank Loan	3.00%	500,000	105,999
		<u>\$ 1,766,000</u>	<u>\$ 779,580</u>
<i>Business-type activities</i>			
2003 MEDC Loan	3.93%	\$ 4,180,000	\$ 1,574,209

# CITY OF LANSING, MICHIGAN

## Notes to Financial Statements

*Changes in long-term debt.* Long-term liability activity for the year ended June 30, 2011, was as follows:

	Beginning Balance	Additions	Reductions	Refunded	Ending Balance	Due Within One Year
<b>Governmental activities</b>						
General obligation bonds	\$ 26,152,000	\$ 5,670,000	\$ 1,735,000	\$ 2,400,000	\$ 27,687,000	\$ 1,960,000
Installment purchase agreements	10,925,689	-	1,360,996	-	9,564,693	1,371,077
Loans payable	1,038,804	-	259,224	-	779,580	267,003
Subtotal	38,116,493	5,670,000	3,355,220	2,400,000	38,031,273	3,598,080
Compensated absences	10,904,958	10,927,004	10,904,958	-	10,927,004	1,237,510
Accrued workers compensation	5,523,504	2,656,055	1,318,282	-	6,861,277	1,318,282
Accrued general liability claims	400,000	-	400,000	-	-	-
Accrued tax settlement	-	260,805	-	-	260,805	52,161
Add (deduct) deferred amounts:						
For issuance discounts	(81,363)	(32,000)	(6,210)	-	(107,153)	(5,178)
For issuance premiums	258,520	-	34,143	-	224,377	34,143
On refunding	(62,256)	(56,207)	(10,359)	-	(108,104)	(13,666)
	<u>\$ 55,059,856</u>	<u>\$ 19,425,657</u>	<u>\$ 15,996,034</u>	<u>\$ 2,400,000</u>	<u>\$ 56,089,479</u>	<u>\$ 6,221,332</u>
<b>Business-type activities</b>						
General obligation bonds	\$ 202,818,098	\$ 11,881,536	\$ 14,160,000	\$ -	\$ 200,539,634	\$ 14,150,000
Revenue bonds	35,445,000	2,685,000	2,925,000	2,640,000	32,565,000	3,040,000
Loans payable	4,180,000	-	2,605,791	-	1,574,209	317,738
Subtotal	242,443,098	14,566,536	19,690,791	2,640,000	234,678,843	17,507,738
Compensated absences	497,597	688,271	497,597	-	688,271	62,491
Add (deduct) deferred amounts:						
For issuance discounts	(4,985,872)	-	(1,129,357)	-	(3,856,515)	-
For issuance premiums	1,027,931	-	66,057	-	961,874	-
On refunding	(1,944,201)	(60,316)	(326,498)	-	(1,678,019)	-
	<u>\$ 237,038,553</u>	<u>\$ 15,194,491</u>	<u>\$ 18,798,590</u>	<u>\$ 2,640,000</u>	<u>\$ 230,794,454</u>	<u>\$ 17,570,229</u>

For the governmental activities, compensated absences and other long-term debt are generally liquidated by the general fund.

Debt service requirements to maturity for all installment debt of the City are as follows:

Year Ended June 30	Governmental Activities			Business-Type Activities		
	Principal	Interest	Total	Principal	Interest	Total
2012	\$ 3,598,080	\$ 1,645,034	\$ 5,243,114	\$ 17,507,738	\$ 6,521,476	\$ 24,029,214
2013	3,500,379	1,497,263	4,997,642	18,135,400	6,097,875	24,233,275
2014	3,635,354	1,343,629	4,978,983	18,451,746	5,669,536	24,121,282
2015	3,030,852	1,181,105	4,211,957	16,286,855	5,219,862	21,506,717
2016	2,976,841	1,066,776	4,043,617	13,865,193	4,828,275	18,693,468
2017-2021	12,246,043	3,654,270	15,900,313	68,924,989	18,374,086	87,299,075
2022-2026	5,568,723	1,610,548	7,179,271	58,744,572	8,725,170	67,469,742
2027-2031	3,475,001	397,210	3,872,211	20,522,349	1,866,125	22,388,474
2032-2036	-	-	-	2,240,001	208,733	2,448,734
	<u>\$ 38,031,273</u>	<u>\$ 12,395,835</u>	<u>\$ 50,427,108</u>	<u>\$ 234,678,843</u>	<u>\$ 57,511,138</u>	<u>\$ 292,189,981</u>

# CITY OF LANSING, MICHIGAN

## Notes to Financial Statements

### 3-H. Fund Balances – Governmental Funds

The City adopted the provisions of GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, in the current year. GASB 54 establishes fund balance classifications that comprise a hierarchy based primarily on the extent to which a government is bound to observe constraints imposed upon the use of the resources reported in governmental funds. Detailed information on fund balances of governmental funds is as follows:

	<b>General Fund</b>	<b>Nonmajor Governmental Funds</b>	<b>Totals</b>
Nonspendable:			
Inventories	\$ 123,910	\$ 1,059,599	\$ 1,183,509
Prepays	47,676	-	47,676
Long-term advances	-	80,531	80,531
Long-term loans receivable	-	200,000	200,000
Corpus of permanent fund	-	1,666,377	1,666,377
Total nonspendable	<u>171,586</u>	<u>3,006,507</u>	<u>3,178,093</u>
Restricted for:			
Donations	41,129	-	41,129
Major and local streets	-	4,306,485	4,306,485
Drug law and narcotics enforcement	-	636,105	636,105
Various State and Federal grants	-	3,616	3,616
Shopping District events and maintenance	-	49,167	49,167
Debt service	-	46,028	46,028
Capital improvements (unexpended bond proceeds)	-	2,370,607	2,370,607
Total restricted	<u>41,129</u>	<u>7,412,008</u>	<u>7,453,137</u>
Committed for:			
Ordinance	178,081	-	178,081
City parks	-	467,581	467,581
Capital improvements	-	4,441,159	4,441,159
Total committed	<u>178,081</u>	<u>4,908,740</u>	<u>5,086,821</u>
Unassigned (deficit)	<u>4,939,691</u>	<u>(371,285)</u>	<u>4,568,406</u>
<b>Total fund balances – governmental funds</b>	<b><u>\$ 5,330,487</u></b>	<b><u>\$ 14,955,970</u></b>	<b><u>\$20,286,457</u></b>

# CITY OF LANSING, MICHIGAN

## Notes to Financial Statements

### 3-I. Net Assets Invested in Capital Assets, Net of Related Debt

The composition of net assets invested in capital assets, net of related debt as of June 30, 2011, was as follows:

	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Component Units</u>
Capital assets:			
Capital assets not being depreciated	\$ 33,531,959	\$ 54,749,869	\$ -
Capital assets being depreciated, net	182,709,064	352,896,522	111,992
Total capital assets	<u>216,241,023</u>	<u>407,646,391</u>	<u>111,992</u>
Related debt:			
General obligation bonds	27,687,000	200,539,634	820,000
Revenue bonds	-	32,565,000	14,666,079
Installment purchase agreements	9,564,693	-	14,422,720
Loans payable	779,580	1,574,209	437,059
Unamortized bond discounts	(107,153)	(3,856,515)	(120,774)
Unamortized bond premiums	224,377	961,874	-
Deferred loss on bond refunding	(108,104)	(1,678,019)	(5,408,783)
Amounts under leases receivable	-	(26,499,685)	-
Amounts under leases receivable	-	(109,858)	-
Amounts related to non-capital debt	-	-	(24,805,257)
Unexpended bond proceeds	(2,370,607)	-	-
	<u>35,669,786</u>	<u>203,496,640</u>	<u>11,044</u>
<b>Net assets invested in capital assets, net of related debt</b>	<b><u>\$ 180,571,237</u></b>	<b><u>\$ 204,149,751</u></b>	<b><u>\$ 100,948</u></b>

### 3-J. Segment Information – Enterprise Funds

The government issued revenue bonds to finance certain improvements to its sewage disposal system. Because the Sewage Disposal System, an individual fund that accounts entirely for the government's sewage activities, is a segment and is reported as a major fund in the fund financial statements, separate segment disclosures herein are not required.

## NOTE 4 – OTHER INFORMATION

### 4-A. Risk Management

The City of Lansing is exposed to various risks of loss related to property loss, torts, errors and omissions and employee injuries.

The City carries commercial insurance for claims relating to general liability, property, electronic data processing, boiler and machinery, police professional and errors and omissions. The City has not experienced settlements in excess of insurance coverage during the past three years.

# CITY OF LANSING, MICHIGAN

## Notes to Financial Statements

The City is uninsured for acts of nature and environmental clean-up costs.

The City is self-funded for Blue Cross Blue Shield healthcare coverage for employees and retirees. The City maintains stop/loss coverage that limits its per-case exposure to \$250,000. The City estimates amounts healthcare claims that are incurred but not reported as of year-end, which is accounted for in the City's Fringe Benefits Internal Service Fund. Changes in the estimated liability were as follows:

	<b>Fiscal Year Ended June 30,</b>	
	<b>2011</b>	<b>2010</b>
Estimated liability, beginning of year	\$ 2,127,406	\$ 5,148,683
Estimated claims incurred, including changes in estimates	18,550,824	22,353,526
Claims payments	(19,275,470)	(22,089,536)
Estimated liability, end of year	<b><u>\$ 1,402,760</u></b>	<b><u>\$ 2,127,406</u></b>

The City is self-insured for workers' compensation costs. The City estimates the liability for workers' compensation claims that have been incurred through the end of the fiscal year, including those claims that have been reported as well as those that have not yet been reported to the City. The current liability is accounted for in the general fund, with long term liabilities accounted for in the Statement of Net Assets. The City has liability insurance coverage up to a maximum amount of \$16,000,000 per occurrence with a \$350,000 deductible. Changes in the estimated long-term liability as well as the total estimated cost of claims for the past two fiscal years were as follows:

	<b>Fiscal Year Ended June 30,</b>	
	<b>2011</b>	<b>2010</b>
Estimated liability, beginning of year	\$ 5,523,504	\$ 5,148,683
Estimated claims incurred, including changes in estimates	2,656,055	1,436,072
Claims payments	(1,318,282)	(1,061,251)
Estimated liability, end of year	<b><u>\$ 6,861,277</u></b>	<b><u>\$ 5,523,504</u></b>

### 4-B. Property Taxes

Property taxes attach as an enforceable lien on property as of the date they are levied. City, community college, and 50% of school taxes are levied and due July 1 and become delinquent after August 31. County taxes and the balance of school taxes are levied and due December 1 and become delinquent after February 14. In March, taxes on real property still delinquent are purchased by the County's tax revolving funds. Collections of community college, school, and county taxes and remittances are accounted for in the general fund. City property tax revenues are recognized in the fiscal year for which the taxes are levied to the extent that they result in current receivables (i.e., are collected within 60 days after fiscal year-end).

# CITY OF LANSING, MICHIGAN

## Notes to Financial Statements

---

The City is permitted by charter and state law to levy taxes up to \$19.198 per \$1,000 of assessed valuation for general operations other than the payment of principal and interest on long-term debt. The tax rate to finance general governmental services other than the payment of principal and interest on long-term debt for the year ended June 30, 2011 was \$15.44 per \$1,000 of taxable value.

### 4-C. Contingent Liabilities

Amounts received or receivable from grantor agencies are subject to audit and potential adjustment by grantor agencies, principally the federal government. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds.

The amount, if any, of expenditures which may be disallowed by the grantor cannot be determined at this time although the government expects such amounts, if any, to be immaterial.

The government is a defendant in various lawsuits. Although the outcome of these lawsuits is not presently determinable, it is the opinion of the government's counsel that resolution of these matters will not have a material adverse effect on the financial condition of the government.

### 4-D. Pension Plans

#### Employees' Retirement System

The City sponsors and administers the Employees' Retirement System (the "Plan"), a single-employer, defined-benefit pension plan. It is accounted for as a separate pension trust fund. No stand-alone financial reports are issued. It covers general full-time employees of the City of Lansing and employees of the 54-A District Court. It does not include elected officials, who are members of the Employees' Money Purchase Pension Plan, nor does it include police officers and firefighters, who are members of a separate City pension plan. The payroll for employees covered by the plan for the year ended December 31, 2009, was \$30,601,855; the City's total payroll was \$61,044,500. Administration of the plan is funded through the general fund.

As of December 31, 2009, employee membership data was as follows:

Retirees and beneficiaries currently receiving benefits and terminated employees entitled to benefits but not yet receiving them	<u>861</u>
Active members:	
Vested	292
Nonvested	<u>278</u>
	<u>570</u>

# CITY OF LANSING, MICHIGAN

## Notes to Financial Statements

---

Approximately 13% of the active membership may retire with a combination of age plus service equal to 65. All other members may retire at age 50 with 25 or more years of credited service or age 58 with 8 or more years of credited service. Members are vested after completing 8 years of credited service. For all members, annual regular retirement allowances are determined by multiplying total credited service times 1.6% to 2.8% times final average compensation. Final average compensation is the member's highest wages for two consecutive years during the last 10 years. Retirement options that provide for survivor benefits are available to members. The plan also provides death and disability benefits. If a member leaves employment or dies before vesting, accumulated member contributions plus interest are refunded to the member or designated beneficiary. Members who are vested and terminate their employment have the option of deferring retirement benefits until age 58 or withdrawing their contribution, thereby forfeiting any future benefits.

Active members contribute between 1.7% and 7.25% of wages as determined by individual labor agreements. Chapter 292 of the City of Lansing's Code of Ordinances establishes benefit provisions and requires that the annuity and pension reserves (which are determined annually by the City's actuary) not financed by member contributions shall be financed by annual appropriations.

The City's funding policy provides for periodic employer contributions at actuarially determined rates that expressed as percentages of annual covered payroll, are designed to accumulate sufficient assets to pay benefits when due. The normal cost and amortization payment for the year ended June 30, 2011, was determined using an entry age actuarial funding method. Unfunded actuarial accrued liabilities are being amortized as a level percent of payroll over an open period of 30 years.

Contributions are recognized when due pursuant to formal commitments, as well as statutory or contractual requirements. The fund is accounted for in essentially the same manner as the proprietary funds and uses the full accrual method of accounting.

Plan valuation assets are equal to the reported market value of assets except that only 20% of the difference between the mark-to-market rate of return and the 8% actuarial rate of return is recognized each year. This five year smoothing method reduces the fluctuation in the City's computed contribution rate which might otherwise be caused by market value fluctuations. The entry-age actuarial cost method is used to determine plan liabilities. Significant actuarial assumptions used in determining the entry-age actuarial accrued liability include (a) a rate of return on investments of 8% per year compounded annually (b) projected salary increases of 4% attributable to inflation and 0% to 3.5% per year depending on age attributable to seniority/merit (c) assumption that benefits generally will not increase after retirement.

During the year ended June 30, 2011, total contributions of \$8,867,238 were made in accordance with actuarially determined requirements computed through an actuarial valuation performed as of December 31, 2009. The City contributed \$7,297,083 (22.63% of projected valuation payroll), excluding contributions for health insurance; employees contributed \$1,570,155 (4.33% of projected valuation payroll). The City's contribution consisted of (a) \$3,327,702 normal cost (10.32% of projected valuation payroll) and (b) \$3,969,381 amortization of the unfunded actuarial accrued liability (12.31% of projected valuation payroll).

# CITY OF LANSING, MICHIGAN

## Notes to Financial Statements

At December 31, 2009, the unfunded actuarial accrued liability was determined as follows:

Actuarial accrued liability for:	
Active participants (292 vested and 278 non-vested)	\$ 65,089,689
Retired participants and beneficiaries currently receiving benefits (799 recipients)	176,133,432
Vested terminated participants not yet receiving benefits (62)	4,491,470
Member benefit reserve	<u>16,583,768</u>
<b>Total actuarial accrued liability</b>	<b>262,298,359</b>
Actuarial value of assets (smoothed market value) *	<u>193,324,228</u>
<b>Unfunded actuarial accrued liability</b>	<b><u>\$ 68,974,131</u></b>

\* Excluding reserve for health insurance

For the fiscal year ending June 30, 2011, the annual required contribution (\$7,297,083) equaled the actual City contribution, increasing the net pension asset to \$10,178.

Annual required contribution	\$ 7,297,083
Interest on net pension obligation	(796)
Adjustment to annual required contribution	<u>565</u>
Annual net pension cost	7,296,852
Contributions made	<u>(7,297,083)</u>
Change in net pension asset	(231)
Net pension asset, beginning of year	<u>(9,947)</u>
Net pension asset, end of year	<u><u>\$ (10,178)</u></u>

The schedules of funding progress, presented as required supplementary information (RSI) following the notes to the financial statements, present multiyear trend information about whether the actuarial values of plan assets are increasing or decreasing over time relative to the AALs for benefits.

### **Three-Year Trend Information** (amounts in thousands)

<b><u>Years Ended June 30,</u></b>	<b><u>Annual Pension Cost (APC)</u></b>	<b><u>Percentage Contributed</u></b>	<b><u>Net Pension Asset</u></b>
2009	\$ 6,048	107%	\$ 428
2010	6,462	94%	10
2011	7,297	100%	10



# CITY OF LANSING, MICHIGAN

## Notes to Financial Statements

---

### **Police and Fire Retirement System**

The City sponsors and administers the Police and Fire Retirement System (the "Plan"), a single-employer defined-benefit pension plan. It is accounted for as a separate pension trust fund. No stand-alone financial reports are issued. It covers all police officers and firefighters who are full-time employees of the City. The City's payroll for employees covered by the plan for the year ended December 31, 2009, was \$30,442,645, the City's total payroll was \$61,044,500. Administration of the plan is funded through the general fund.

As of December 31, 2009, employee membership data related to the plan was as follows:

Retirees and beneficiaries currently receiving benefits and terminated employees entitled to benefits but not yet receiving them	<b><u>650</u></b>
Active members:	
Vested	297
Nonvested	<u>161</u>
	<b><u>458</u></b>

Members may retire at any age with 25 or more years of credited service, or age 55 with 10 or more years of credited service. Members are vested after completing 10 years of credited service. Members are required to retire at age 70. Annual retirement allowances are determined by multiplying final average compensation by 3.2% for the first 25 years of credited service. The maximum allowance is 80% of final average compensation. Final average compensation is the member's highest wages for 2 consecutive years.

When an employee who had retired subsequent to August 31, 1966, dies, the plan provides for an automatic pension to the retiree's spouse. This automatic pension is equal to 50% of the regular retirement benefit the employee had been receiving at time of death. Effective July 30, 1990, members may elect a reduced benefit, either 93% or 86% of the regular benefit, thereby increasing the spouse pension to 75% or 86% of the regular benefit, respectively. Alternately, members may elect a non-spousal beneficiary option. The plan provides death and disability benefits. If a member leaves employment or dies before vesting, accumulated member contributions plus interest are refunded to the member or designated beneficiary. Members who are vested and terminate their employment have the option of deferred retirement benefits until age 55 or withdrawing their contribution, thereby forfeiting any future benefits.

Fire members are required to contribute 7.58% of their annual wages to the plan. Police supervisors are required to contribute 9.52% and police non-supervisors, 8.50%. Chapter 294 of the City of Lansing's Ordinance establishes benefit provisions and requires that the portion of the annuity and pension reserves (which are determined annually by the City's actuary) not financed by member contributions shall be financed by annual appropriations.

In addition to the payments under this plan, the City made payments from the general fund to provide benefits for the beneficiaries of a prior pension plan. This prior plan was superseded by the present plan as of January 1, 1944. There were no payments made to beneficiaries under that plan.

# CITY OF LANSING, MICHIGAN

## Notes to Financial Statements

The City's funding policy provides for periodic employer contributions at actuarially determined rates that, expressed as percentages of annual covered payroll, are designed to accumulate sufficient assets to pay benefits when due. The normal cost and amortization payment for the year ended June 30, 2011, was determined using an entry age actuarial funding method. Unfunded actuarial accrued liabilities are being amortized as a level percent of payroll over an open period of 30 years.

Plan valuation assets are equal to the reported market value of assets except that only 20% of the difference between the mark-to-market rate of return and the 8% actuarial rate of return is recognized each year. This five year smoothing method reduces the fluctuation in the City's computed contribution rate which might otherwise be caused by market value fluctuations. The entry-age actuarial cost method is used to determine plan liabilities. Significant actuarial assumptions used in determining the entry-age actuarial accrued liability include (a) a rate of return on investments of 8% per year compounded annually (b) projected salary increases of 4% attributable to inflation and .51 to 11.5% per year depending on age attributable to seniority/merit (c) assumption that benefits generally will increase \$525 annually after retirement.

During the year ended June 30, 2011, total contributions of \$11,119,813 were made in accordance with actuarially determined requirements computed through an actuarial valuation performed as of December 31, 2009. The City contributed \$8,240,688 (25.69% of projected valuation payroll), excluding contributions for health insurance; employees contributed \$2,879,125 (8.20% of projected valuation payroll). The City's contribution consisted of (a) \$4,962,376 normal cost (15.47% of projected valuation payroll) and (b) \$3,278,312 amortization of the unfunded actuarial accrued liability (10.22% of projected valuation payroll).

At December 31, 2009, the actuarial accrued liability in excess of assets was determined as follows:

Active participants (297 vested and 161 non-vested)	\$ 120,691,304
Retired participants and beneficiaries currently receiving benefits (635 recipients)	214,535,784
Vested terminated participants not yet receiving benefits (15)	<u>2,087,748</u>
<b>Total actuarial accrued liability</b>	<b>337,314,836</b>
Actuarial value of assets (smoothed market value) *	<u>280,341,913</u>
<b>Unfunded Actuarial accrued liability</b>	<b><u>\$ 56,972,923</u></b>

\* Excluding reserve for health insurance

For the fiscal year ending June 30, 2011, the annual required contribution (\$8,240,688) equaled the actual City contribution, increasing the net pension asset to \$9,231.

Annual required contribution	\$ 8,240,688
Interest on net pension obligation	(722)
Adjustment to annual required contribution	<u>512</u>
Annual net pension cost	<b>8,240,478</b>
Contributions made	<u>(8,240,688)</u>
Change in net pension asset	<b>(210)</b>
Net pension asset, beginning of year	<u>(9,021)</u>
<b>Net pension asset, end of year</b>	<b><u>\$ (9,231)</u></b>

# CITY OF LANSING, MICHIGAN

## Notes to Financial Statements

---

Significant actuarial assumptions used to compute contribution requirements were the same as those used to compute the standardized measure of the actuarial accrual liability.

The schedules of funding progress, presented as required supplementary information (RSI) following the notes to the financial statements, present multiyear trend information about whether the actuarial values of plan assets are increasing or decreasing over time relative to the AALs for benefits.

### **Three-Year Trend Information** (amounts in thousands)

<b><u>Years Ended June 30,</u></b>	<b><u>Annual Pension Cost (APC)</u></b>	<b><u>Percentage Contributed</u></b>	<b><u>Net Pension Asset</u></b>
2009	\$ 6,094	106%	\$ 389
2010	7,170	95%	9
2011	8,240	100%	9

### **Employees' Money Purchase Pension Plan**

The City of Lansing sponsors and contributes to the Employees' Money Purchase Pension Plan (the "Plan"), which is a single-employer defined - contribution pension plan. Administration of the plan is funded by the general fund.

A defined contribution pension plan provides pension benefits in return for services rendered, provides an individual account for each participant, and specifies how contributions to the individual's account are to be determined instead of specifying the amount of benefits the individual is to receive. Under a defined contribution pension plan, the benefits a participant will receive depend solely on the amount contributed to the participant's account and the returns earned on investments of those contributions. As established by Chapter 292.30 of the City of Lansing's Code of Ordinances, this plan includes all elected officials hired subsequent to September 30, 1990. As of June 30, 2011, there were 8 active members in this plan. Contributions made by employees vest immediately, and contributions made by the City vest after three years of full-time employment. When employees terminate employment, they are entitled to their contributions and the City's contributions if vesting requirements are satisfied. Employees may contribute up to 8% of their wages in 1% increments. The City contributes an amount equal to 6.0% of the employees' wages for retirement benefits.

During the year, the City's required and actual contributions amounted to \$17,633, which was approximately 6% of covered payroll of \$298,155. There were no employee contributions.

No pension provision changes occurred during the year that affected the required contributions to be made by the City. In addition, the plan does not issue stand-alone financial statements.

## Notes to Financial Statements

	Pension Net Assets						
	Employees' Retirement System Pension	Employees' Retirement System OPEB	Police and Fire Retirement System	Police and Fire Retirement System OPEB	Employees' Money Purchase Pension Plan	Retiree Health Care VEBA	Totals
<b>Assets</b>							
Cash and cash equivalents	\$ 3,253,843	\$ -	\$ 7,810,043	\$ -	\$ -	\$ -	\$ 11,063,886
Investments:							
Money market funds	1,919,953	172,375	2,137,503	158,200	-	-	4,388,031
Government obligations	32,184,007	2,889,506	39,512,810	2,924,410	-	-	77,510,733
Corporate bonds	34,617,318	3,107,971	42,685,268	3,159,210	-	-	83,569,767
Common stocks	74,750,280	6,711,140	120,147,626	8,892,331	-	-	210,501,377
Mutual funds	27,088,848	2,432,058	43,373,558	3,210,151	1,801,304	12,650,173	90,556,092
Contribution receivable	2,401	-	-	-	963	-	3,364
Dividends and interest receivable	197,736	17,753	263,306	19,488	-	132,930	631,213
Total assets	174,014,386	15,330,803	255,930,114	18,363,790	1,802,267	12,783,103	478,224,463
<b>Liabilities</b>							
Accounts payable	2,642,401	-	1,748,982	-	-	-	4,391,383
<b>Net assets held in trust for:</b>							
Pension benefits	171,371,985	-	254,181,132	-	1,802,267	-	427,355,384
Other postemployment benefits	-	15,330,803	-	18,363,790	-	12,783,103	46,477,696
<b>Total net assets</b>	<b>\$ 171,371,985</b>	<b>\$ 15,330,803</b>	<b>\$ 254,181,132</b>	<b>\$ 18,363,790</b>	<b>\$ 1,802,267</b>	<b>\$ 12,783,103</b>	<b>\$ 473,833,080</b>
<b>Changes in Pension Net Assets</b>							
<b>Additions</b>							
Investment income:							
Net appreciation in fair value							
of investments	\$ 24,421,434	\$ -	\$ 44,028,009	\$ -	\$ -	\$ 1,135,350	\$ 69,584,793
Interest income	6,289,336	1,234,183	2,263,208	838,906	270,832	-	10,896,465
Dividend income	608,477	-	1,023,274	-	-	752,694	2,384,445
Less investment expenses	(214,369)	-	(269,161)	-	(6,204)	-	(489,734)
Net investment income	31,104,878	1,234,183	47,045,330	838,906	264,628	1,888,044	82,375,969
Contributions:							
Employer	7,297,083	9,773,601	8,240,688	9,844,226	17,633	-	35,173,231
Plan members	1,570,155	-	2,879,125	-	-	-	4,449,280
Total contributions	8,867,238	9,773,601	11,119,813	9,844,226	17,633	-	39,622,511
Total additions	39,972,116	11,007,784	58,165,143	10,683,132	282,261	1,888,044	121,998,480
<b>Deductions</b>							
Participant benefits	19,962,124	9,773,601	23,859,622	9,844,226	94,762	-	63,534,335
Administrative expense	622,792	-	818,255	-	-	-	1,441,047
Total deductions	20,584,916	9,773,601	24,677,877	9,844,226	94,762	-	64,975,382
Net change in net assets held in trust	19,387,200	1,234,183	33,487,266	838,906	187,499	1,888,044	57,023,098
<b>Net assets held in trust for pension benefits:</b>							
Beginning of year	151,984,785	14,096,620	220,693,866	17,524,884	1,614,768	10,895,059	416,809,982
<b>End of year</b>	<b>\$ 171,371,985</b>	<b>\$ 15,330,803</b>	<b>\$ 254,181,132</b>	<b>\$ 18,363,790</b>	<b>\$ 1,802,267</b>	<b>\$ 12,783,103</b>	<b>\$ 473,833,080</b>

# CITY OF LANSING, MICHIGAN

## Notes to Financial Statements

---

### **4-E. Other Postemployment Benefit Plans**

*Plan Descriptions.* The City of Lansing contributes to the Employees' Retirement System, the Police and Fire Retirement System, and the Voluntary Employees Beneficiary Association amounts to pre-fund postemployment healthcare. In the Employees' Retirement System and the Police and Fire Retirement System, these other postemployment benefits (OPEB) are set up as reserves in the pension plans, and their investments are commingled with the investments of the pension. Portfolio makeup is reported as a percentage of total pension plan assets. Earnings are calculated based on a seven year smoothed rate of return of the retirement systems. Eligible participants include any retirees who receive pension benefits under the respective pension plans. OPEB plan provisions are established and may be amended by the City Council, subject to the City's various collective bargaining agreements. Separate financial statements are not prepared for the plans.

*Basis of Accounting.* The Plans' financial statements are prepared using the accrual basis of accounting. Plan member contributions are recognized in the period in which the contributions are due. Employer contributions are recognized when due and the employer has made a formal commitment to provide the contributions. Benefits and refunds are recognized when due and payable in accordance with the terms of the plans.

*Method Used to Value Investments.* Plan investments are reported at fair value. Securities traded on a national or international exchange are valued at the last reported sales price at current exchange rates. Investments for which market quotations are not readily available are valued at their fair values as determined by the custodian under the direction of each plans' board of trustees, with the assistance of a valuation service.

### **Voluntary Employees Beneficiary Association (VEBA)**

The City of Lansing Voluntary Employees Beneficiary Association (the "Plan") is a single-employer defined benefit post employment healthcare plan established by the City to provide medical and healthcare benefits for retirees and their beneficiaries. Eligible participants include any retirees who receive pension benefits under one of the City's pension plans. The Plan is funded by a trust agreement established pursuant to Section 501(c)(9) of the Internal Revenue Code that allows for the formation of a VEBA. During the year, the City made no contributions to the Plan.

### **Employees' Retirement System**

The City provides postemployment health care benefits, in accordance with labor agreements, to full-time employees of the City and employees of the 54-A District Court (not including police officers and firefighters who are members of the Police and Fire Retirement System). Members eligible for pension benefits under the Employees' Retirement System are also eligible to receive health care benefits. The City provides the full cost of health benefits to retirees, payable to health care vendors, and also reimburses retirees eligible for Medicare benefits of \$96.40 per month for each covered retiree and dependent(s). The payments are charged to the fringe benefit internal service fund of the City and are recognized as expenses as payments are made. During the year, the City contributed \$9,773,601 to the Plan, all which was to fund current retiree premiums.

# CITY OF LANSING, MICHIGAN

## Notes to Financial Statements

Membership of the Plan consisted of the following at December 31, 2009, the date of the most recent actuarial valuation:

Retirees and beneficiaries receiving benefits	717
Terminated employees eligible to receive, but not yet receiving benefits	48
Active plan members	<u>570</u>
<b>Total</b>	<b><u>1,335</u></b>
Annual required contributions	\$ 8,866,588
Interest on net OPEB obligation (asset)	(180,813)
Adjustment to annual required contribution	<u>133,243</u>
Net OPEB cost (expense)	8,819,018
Contributions made	<u>(9,773,601)</u>
Change in net OPEB obligation (asset)	(954,583)
Net OPEB obligation (asset):	
Beginning of year	<u>(2,260,157)</u>
<b>End of year</b>	<b><u>\$ (3,214,740)</u></b>

The City's annual OPEB cost, the percentage of annual OPEB cost contributed to the Plan, and the net OPEB obligation for the current year and the two preceding years were as follows:

### Three-Year Trend Information

<b>Fiscal Year Ended</b>	<b>Net OPEB Cost</b>	<b>Percentage of Annual OPEB Cost Contributed</b>	<b>Net OPEB Obligation (Asset)</b>
06/30/2009	\$ 9,021,963	120.3%	\$ (3,085,900)
06/30/2010	9,782,538	95.1%	(2,260,157)
06/30/2011	8,819,018	110.8%	(3,214,740)

The schedule of employer contributions, presented as required supplementary information (RSI) following the notes to the financial statements, presents trend information about the amounts contributed to the plan by employers in comparison to the ARC, an amount that is actuarially determined in accordance with the parameters of GASB Statement 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost for each year and amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed thirty years.

# CITY OF LANSING, MICHIGAN

## Notes to Financial Statements

---

*Funded Status and Funding Progress.* As of December 31, 2009, the most recent actuarial valuation date, the Plan was 12.0 percent funded. The actuarial accrued liability for benefits was \$203,399,633, and the actuarial value of assets was \$24,363,831, resulting in an unfunded actuarial accrued liability (UAAL) of \$179,035,802. The covered payroll (annual payroll of active employees covered by the Plan) was \$30,601,855, and the ratio of the UAAL to the covered payroll was 585.0 percent. The Employees' Retirement System and VEBA were combined in the actuarial valuation.

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress, presented as required supplementary information following the notes to the financial statements, presents multiyear trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

*Actuarial Methods and Assumptions.* Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and the plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

In the December 31, 2009 actuarial valuation, the entry age actuarial cost method was used. The actuarial assumptions included a 8.0 percent investment rate of return (net of administrative expenses), which is a blended rate of the expected long-term investment returns on plan assets and on the employer's own investments calculated based on the funded level of the plan at the valuation date, and an annual healthcare cost trend rate of 9.0 percent initially, reduced by decrements to an ultimate rate of 4.0 percent after ten years and a flat rate of 4.0 percent for Medicare Part B. Both rates included a 4.0 percent inflation assumption. The actuarial value of assets was determined using techniques that spread the effects of short-term volatility in the market value of investments over a five-year period. The UAAL is being amortized as a level percentage of projected payroll on an open basis. The remaining amortization period at December 31, 2009, was thirty years.

### **Police and Fire Retirement System**

The City also provides postemployment health care benefits, in accordance with labor agreements, to members who are eligible to receive pension benefits under the Police and Fire Retirement System. The City provides the full cost of health benefits to retirees, payable to health care vendors, and also reimburses retirees eligible for Medicare benefits of \$96.40 per month for each covered retiree and dependent(s). The payments are charged to the fringe benefit internal service fund of the City and are recognized as expenses as payments are made. During the year, the City contributed \$9,844,226 to the Plan, all which was to fund current retiree premiums.

# CITY OF LANSING, MICHIGAN

## Notes to Financial Statements

Membership of the Plan consisted of the following at December 31, 2009, the date of the most recent actuarial valuation:

Retirees and beneficiaries receiving benefits	604
Terminated employees eligible to receive, but not yet receiving benefits	7
Active plan members	458
<b>Total</b>	<b>1,069</b>
Annual required contributions	\$ 16,201,842
Interest on net OPEB obligation (asset)	1,035,062
Adjustment to annual required contribution	(762,751)
Net OPEB cost (expense)	16,474,153
Contributions made	(9,844,226)
Change in net OPEB obligation (asset)	6,629,927
Net OPEB obligation (asset):	
Beginning of year	12,938,273
<b>End of year</b>	<b>\$ 19,568,200</b>

The City's annual OPEB cost, the percentage of annual OPEB cost contributed to the Plan, and the net OPEB obligation for the current year and the two preceding years were as follows:

### Three-Year Trend Information

<b>Fiscal Year Ended</b>	<b>Net OPEB Cost</b>	<b>Percentage of Annual OPEB Cost Contributed</b>	<b>Net OPEB Obligation (Asset)</b>
06/30/2009	\$ 12,258,018	78.9%	\$ 5,960,488
06/30/2010	16,563,477	57.9%	12,938,273
06/30/2011	16,474,153	59.8%	19,568,200

The schedule of employer contributions, presented as required supplementary information (RSI) following the notes to the financial statements, presents trend information about the amounts contributed to the plan by employers in comparison to the ARC, an amount that is actuarially determined in accordance with the parameters of GASB Statement 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost for each year and amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed thirty years.



# CITY OF LANSING, MICHIGAN

## Notes to Financial Statements

---

*Funded Status and Funding Progress.* As of December 31, 2009, the most recent actuarial valuation date, the Plan was 8.1 percent funded. The actuarial accrued liability for benefits was \$214,899,358, and the actuarial value of assets was \$17,477,208, resulting in an unfunded actuarial accrued liability (UAAL) of \$197,422,150. The covered payroll (annual payroll of active employees covered by the Plan) was \$30,442,645, and the ratio of the UAAL to the covered payroll was 648.5 percent.

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress, presented as required supplementary information following the notes to the financial statements, presents multiyear trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

*Actuarial Methods and Assumptions.* Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and the plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

In the December 31, 2009 actuarial valuation, the entry age actuarial cost method was used. The actuarial assumptions included a 8.0 percent investment rate of return (net of administrative expenses), which is a blended rate of the expected long-term investment returns on plan assets and on the employer's own investments calculated based on the funded level of the plan at the valuation date, and an annual healthcare cost trend rate of 9.0 percent initially, reduced by decrements to an ultimate rate of 4.0 percent after ten years and a flat rate of 4.0 percent for Medicare Part B. Both rates included a 4.0 percent inflation assumption. The actuarial value of assets was determined using techniques that spread the effects of short-term volatility in the market value of investments over a five-year period. The UAAL is being amortized as a level percentage of projected payroll on an open basis. The remaining amortization period at December 31, 2009, was thirty years.

### 4-F. Restatement

Beginning fund balance of the general fund was increased by \$5,750,666 in order to include the balances for the stadium special and budget stabilization special revenue funds of \$22,607 and \$5,728,059, respectively, previously reported as nonmajor governmental funds. This change is a result of implementation of GASB Statement No. 54 *Fund Balance Reporting and Governmental Fund Type Definitions*. While these funds will continue to be accounted for separately for internal purposes, the stadium and budget stabilization funds will no longer be separately presented for external financial reporting.

## REQUIRED SUPPLEMENTARY INFORMATION

**City of Lansing**  
**Employees' Retirement System**  
**Required Supplementary Information**  
(amounts in thousands)

**Schedule of Funding Progress**

<b>Actuarial Valuation Date</b>	<b>Actuarial Value of Assets (A)</b>	<b>Actuarial Accrued Liability (B)</b>	<b>Underfunded AAL (UAAL) (B-A)</b>	<b>Funded Ratio (A/B)</b>	<b>Covered Payroll (C)</b>	<b>UAAL as a % of Covered Payroll ((B-A)/C)</b>
12/31/2004	\$ 206,200	\$ 231,389	\$ 25,189	89.1%	\$ 32,383	77.8%
12/31/2005	207,881	245,242	37,361	84.8%	30,851	121.1%
12/31/2006	208,765	251,427	42,662	83.0%	31,944	133.6%
12/31/2007	208,572	254,356	45,784	82.0%	31,797	144.0%
12/31/2008	200,600	258,331	57,731	77.7%	29,688	194.5%
12/31/2009	193,324	262,298	68,974	73.7%	30,602	225.4%

**Schedule of Employer Contributions**

<b>Year Ended June 30</b>	<b>Annual Required Contribution (ARC)</b>	<b>Percentage Contributed</b>	
2006	\$ 4,900	100.0%	
2007	5,231	100.0%	
2008	6,022	100.0%	
2009	6,048	105.0%	✕
2010	6,472	93.4%	✕
2011	7,297	100.0%	

✕ The City contributed in excess of its fiscal year 2009 ARC. The City's fiscal year 2010 contribution was reduced by the dollar amount of the fiscal year 2009 overpayment

**City of Lansing**  
**Police and Fire Retirement System**  
**Required Supplementary Information**  
(amounts in thousands)

**Schedule of Funding Progress**

<b>Actuarial Valuation Date</b>	<b>Actuarial Value of Assets (A)</b>	<b>Actuarial Accrued Liability (B)</b>	<b>Underfunded AAL (UAAL) (B-A)</b>	<b>Funded Ratio (A/B)</b>	<b>Covered Payroll (C)</b>	<b>UAAL as a % of Covered Payroll ((B-A)/C)</b>
12/31/2004	\$ 275,807	\$ 279,873	\$ 4,066	98.5%	\$ 27,754	14.7%
12/31/2005	273,421	290,299	16,878	94.2%	27,855	60.6%
12/31/2006	278,839	308,193	29,354	90.5%	29,582	99.2%
12/31/2007	293,571	315,635	22,064	93.0%	29,600	74.5%
12/31/2008	287,394	326,673	39,279	88.0%	30,161	130.2%
12/31/2009	280,342	337,315	56,973	83.1%	30,443	187.1%

**Schedule of Employer Contributions**

<b>Year Ended June 30</b>	<b>Annual Required Contribution (ARC)</b>	<b>Percentage Contributed</b>	
2006	\$ 4,659	100.0%	
2007	5,386	100.0%	
2008	6,521	100.0%	
2009	6,094	106.0%	✖
2010	7,179	94.6%	✖
2011	8,241	100.0%	

✖ The City contributed in excess of its fiscal year 2009 ARC. The City's fiscal year 2010 contribution was reduced by the dollar amount of the fiscal year 2009 overpayment

**City of Lansing**  
Other Postemployment Benefit Plans  
Required Supplementary Information  
(amounts in thousands)

**Employees' Retirement System and VEBA - Schedule of Funding Progress**

<b>Actuarial Valuation Date</b>	<b>Actuarial Value of Assets (A)</b>	<b>Actuarial Accrued Liability (B)</b>	<b>Underfunded AAL (UAAL) (B-A)</b>	<b>Funded Ratio (A/B)</b>	<b>Covered Payroll (C)</b>	<b>UAAL as a % of Covered Payroll ((B-A)/C)</b>
12/31/2006	\$ 14,337	\$ 147,388	\$ 133,051	9.7%	\$ 31,944	416.5%
12/31/2009	24,364	203,400	179,036	12.0%	30,602	585.0%

**Police and Fire Retirement System - Schedule of Funding Progress**

<b>Actuarial Valuation Date</b>	<b>Actuarial Value of Assets (A)</b>	<b>Actuarial Accrued Liability (B)</b>	<b>Underfunded (Overfunded) AAL (UAAL) (B-A)</b>	<b>Funded Ratio (A/B)</b>	<b>Covered Payroll (C)</b>	<b>UAAL as a % of Covered Payroll ((B-A)/C)</b>
12/31/2006	\$ 13,064	\$ 155,559	\$ 142,495	8.4%	\$ 29,582	481.7%
12/31/2009	17,477	214,899	197,422	8.1%	30,443	648.5%

**Employees' Retirement System and VEBA - Schedule of Employer Contributions**

<b>Fiscal Year Ended</b>	<b>Annual Required Contribution (ARC)</b>	<b>Percentage of ARC Contributed</b>
06/30/2008	\$ 9,027	113.9%
06/30/2009	8,902	101.4%
06/30/2010	10,290	95.1%
06/30/2011	8,867	110.2%

**Police and Fire Retirement System - Schedule of Employer Contributions**

<b>Fiscal Year Ended</b>	<b>Annual Required Contribution (ARC)</b>	<b>Percentage of ARC Contributed</b>
06/30/2008	\$ 12,006	71.9%
06/30/2009	12,583	76.9%
06/30/2010	17,177	38.3%
06/30/2011	16,202	60.8%

COMBINING and INDIVIDUAL FUND  
STATEMENTS and SCHEDULES

**City of Lansing**  
Combining Balance Sheet - Nonmajor Governmental Funds  
June 30, 2011

	<b>Special Revenue</b>	<b>Debt Service</b>	<b>Capital Projects</b>	<b>Permanent</b>	<b>Totals</b>
<b>Assets</b>					
Cash and cash equivalents	\$ 43,501	\$ -	\$ 1,421,167	\$ -	\$ 1,464,668
Equity in pooled cash	6,095,791	46,028	5,134,302	1,666,377	12,942,498
Investments	-	-	1,395,598	-	1,395,598
Accounts receivable, net	1,422,635	-	140,767	-	1,563,402
Special assessments receivable	-	-	806,631	-	806,631
Loans receivable	1,438,076	-	-	-	1,438,076
Accrued interest receivable	1,940,117	-	-	-	1,940,117
Advances to other funds	-	-	80,531	-	80,531
Due from other governments	6,699,467	-	1,070	-	6,700,537
Inventory	1,059,599	-	-	-	1,059,599
<b>Total assets</b>	<b>\$ 18,699,186</b>	<b>\$ 46,028</b>	<b>\$ 8,980,066</b>	<b>\$ 1,666,377</b>	<b>\$ 29,391,657</b>
<b><u>Liabilities and fund balances</u></b>					
<b>Liabilities</b>					
Accounts payable	\$ 2,324,156	\$ -	\$ 364,300	\$ -	\$ 2,688,456
Deposits payable	44,345	-	-	-	44,345
Accrued payroll	186,782	-	-	-	186,782
Due to other funds	4,610,000	-	932,969	-	5,542,969
Advances from other funds	-	-	243,379	-	243,379
Due to other governments	592,290	-	-	-	592,290
Deferred revenue	4,419,060	-	718,406	-	5,137,466
<b>Total liabilities</b>	<b>12,176,633</b>	<b>-</b>	<b>2,259,054</b>	<b>-</b>	<b>14,435,687</b>
<b>Fund balances</b>					
Nonspendable	1,259,599	-	80,531	1,666,377	3,006,507
Restricted	4,995,373	46,028	2,370,607	-	7,412,008
Committed	467,581	-	4,441,159	-	4,908,740
Unassigned (deficit)	(200,000)	-	(171,285)	-	(371,285)
<b>Total fund balances</b>	<b>6,522,553</b>	<b>46,028</b>	<b>6,721,012</b>	<b>1,666,377</b>	<b>14,955,970</b>
<b>Total liabilities and fund balances</b>	<b>\$ 18,699,186</b>	<b>\$ 46,028</b>	<b>\$ 8,980,066</b>	<b>\$ 1,666,377</b>	<b>\$ 29,391,657</b>

**City of Lansing**  
Combining Statement of Revenues, Expenditures and  
Changes in Fund Balances - Nonmajor Governmental Funds  
For the Year Ended June 30, 2011

	<b>Special Revenue</b>	<b>Debt Service</b>	<b>Capital Projects</b>	<b>Permanent</b>	<b>Totals</b>
<b>Revenues</b>					
Taxes and special assessments	\$ 395,403	\$ 606,598	\$ 17,627	\$ -	\$ 1,019,628
Intergovernmental	24,821,469	-	-	-	24,821,469
Charges for services	7,292,233	-	863,529	-	8,155,762
Fines and forfeits	393,967	-	-	-	393,967
Interest	7,163	4,403	18,011	11,834	41,411
Contributions	10,000	-	-	-	10,000
Other revenues	293,995	-	-	-	293,995
Total revenues	33,214,230	611,001	899,167	11,834	34,736,232
<b>Expenditures</b>					
Current expenditures:					
General government	2,550,282	-	-	-	2,550,282
Public safety	6,602,641	-	-	-	6,602,641
Highways and streets	8,494,233	-	-	-	8,494,233
Recreation and culture	6,301	-	-	-	6,301
Other functions	13,611,609	-	-	-	13,611,609
Debt service:					
Principal	1,066,315	610,000	-	-	1,676,315
Interest	719,937	222,696	-	-	942,633
Issuance costs	-	48,804	-	-	48,804
Capital outlay	6,579,690	-	3,376,413	-	9,956,103
Total expenditures	39,631,008	881,500	3,376,413	-	43,888,921
Revenues over (under) expenditures	(6,416,778)	(270,499)	(2,477,246)	11,834	(9,152,689)
<b>Other financing sources (uses)</b>					
Transfers in	6,709,320	176,300	2,115,500	16,826	9,017,946
Transfers out	(1,146,470)	-	(4,612,417)	(11,833)	(5,770,720)
Issuance of long-term debt	-	2,470,000	-	-	2,470,000
Payment to refunded bond escrow agent	-	(2,456,207)	-	-	(2,456,207)
Total other financing sources (uses)	5,562,850	190,093	(2,496,917)	4,993	3,261,019
Net change in fund balances	(853,928)	(80,406)	(4,974,163)	16,827	(5,891,670)
Fund balances, beginning of year, as restated	7,376,481	126,434	11,695,175	1,649,550	20,847,640
<b>Fund balances, end of year</b>	<b>\$ 6,522,553</b>	<b>\$ 46,028</b>	<b>\$ 6,721,012</b>	<b>\$ 1,666,377</b>	<b>\$ 14,955,970</b>



**CITY OF LANSING**

## **Nonmajor Special Revenue Funds**

---

**Major Streets Fund** – This fund accounts for revenues received from the State of Michigan for the City's share of state gasoline and weight taxes, which is used for maintenance of major streets.

**Local Streets Fund** – This fund accounts for revenues received from the State of Michigan for the City's share of state gasoline and weight taxes, which is used for maintenance of local streets.

**Drug Law Enforcement Fund** – This fund accounts for revenues set aside for drug law enforcement under the provisions of State of Michigan Public Act 135 of 1985, as amended.

**State and Federal Programs Fund** – This fund accounts for all revenues received from miscellaneous grants and local contributions. These revenues are used for projects as detailed in individual grant applications.

**Community Development Block Grant Program Fund** – This fund accounts for revenues received from the Department of Housing and Urban Development. These revenues are restricted to accomplishing the various objectives of Community Development Block Grant Programs, within specific target areas.

**Principal Shopping District Fund** – This fund accounts for assessments received from businesses located in the district. The revenues are used for special events and maintenance of the district.

**911 Communications Center Fund** – This fund accounts for the operations of the county-wide 911 communications center. Revenues received are from the County for actual expenditures incurred.

**Building Department Fund** – This fund accounts for revenues and expenditures resulting from the enforcement of the State Construction Code Act of 1999 (PA 245 of 1999).

**Parks Department Fund** – This fund accounts for contributions and transfers which are restricted for park expenditures.

**Tri-County Metro Fund** – This fund accounts for the operations of the Tri-County Metro Narcotics Squad.

**City of Lansing**  
Combining Balance Sheet - Nonmajor Special Revenue Funds  
June 30, 2011

	<u>Major Streets</u>	<u>Local Streets</u>	<u>Drug Law Enforcement</u>	<u>State and Federal Programs</u>
<b>Assets</b>				
Cash and cash equivalents	\$ -	\$ -	\$ 15,000	\$ -
Equity in pooled cash	3,351,464	270,699	288,472	242,401
Accounts receivable	-	-	-	5,131
Loans receivable	-	-	-	53,076
Accrued interest receivable	-	-	-	-
Due from other governments	1,068,895	287,387	-	5,012,205
Inventory	1,059,599	-	-	-
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
<b>Total assets</b>	<u><u>\$ 5,479,958</u></u>	<u><u>\$ 558,086</u></u>	<u><u>\$ 303,472</u></u>	<u><u>\$ 5,312,813</u></u>
 <b><u>Liabilities and fund balances</u></b>				
<b>Liabilities</b>				
Accounts payable	\$ 430,403	\$ 211,047	\$ 103,055	\$ 1,314,245
Deposits payable	-	-	-	-
Accrued payroll	510	-	7,231	21,009
Due to other funds	-	30,000	-	2,680,000
Due to other governments	-	-	-	-
Deferred revenue	-	-	-	1,293,943
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
<b>Total liabilities</b>	<u>430,913</u>	<u>241,047</u>	<u>110,286</u>	<u>5,309,197</u>
 <b>Fund balances</b>				
Nonspendable	1,059,599	-	-	-
Restricted	3,989,446	317,039	193,186	3,616
Committed	-	-	-	-
Unassigned (deficit)	-	-	-	-
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
<b>Total fund balances</b>	<u>5,049,045</u>	<u>317,039</u>	<u>193,186</u>	<u>3,616</u>
 <b>Total liabilities and fund balances</b>	<u><u>\$ 5,479,958</u></u>	<u><u>\$ 558,086</u></u>	<u><u>\$ 303,472</u></u>	<u><u>\$ 5,312,813</u></u>

<b>Community Development Block Grant Program</b>	<b>Principal Shopping District</b>	<b>911 Communications Center</b>	<b>Building Department</b>	<b>Parks Department</b>	<b>Tri-County Metro</b>	<b>Totals</b>
\$ -	\$ 3,500	\$ -	\$ -	\$ -	\$ 25,001	\$ 43,501
44,943	60,480	193,466	25,044	467,581	1,151,241	6,095,791
-	-	1,405,391	12,113	-	-	1,422,635
1,385,000	-	-	-	-	-	1,438,076
1,940,117	-	-	-	-	-	1,940,117
299,931	-	-	-	-	31,049	6,699,467
-	-	-	-	-	-	1,059,599
<u>\$ 3,669,991</u>	<u>\$ 63,980</u>	<u>\$ 1,598,857</u>	<u>\$ 37,157</u>	<u>\$ 467,581</u>	<u>\$ 1,207,291</u>	<u>\$ 18,699,186</u>
\$ 125,557	\$ 9,892	\$ 2,826	\$ 1,530	\$ -	\$ 125,601	\$ 2,324,156
-	-	-	-	-	44,345	44,345
19,317	4,921	96,031	35,627	-	2,136	186,782
400,000	-	1,500,000	-	-	-	4,610,000
-	-	-	-	-	592,290	592,290
3,125,117	-	-	-	-	-	4,419,060
<u>3,669,991</u>	<u>14,813</u>	<u>1,598,857</u>	<u>37,157</u>	<u>-</u>	<u>764,372</u>	<u>12,176,633</u>
200,000	-	-	-	-	-	1,259,599
-	49,167	-	-	-	442,919	4,995,373
-	-	-	-	467,581	-	467,581
(200,000)	-	-	-	-	-	(200,000)
<u>-</u>	<u>49,167</u>	<u>-</u>	<u>-</u>	<u>467,581</u>	<u>442,919</u>	<u>6,522,553</u>
<u>\$ 3,669,991</u>	<u>\$ 63,980</u>	<u>\$ 1,598,857</u>	<u>\$ 37,157</u>	<u>\$ 467,581</u>	<u>\$ 1,207,291</u>	<u>\$ 18,699,186</u>

**City of Lansing**  
Combining Statement of Revenues, Expenditures and  
Changes in Fund Balances - Nonmajor Special Revenue Funds  
For the Year Ended June 30, 2011

	<u>Major Streets</u>	<u>Local Streets</u>	<u>Drug Law Enforcement</u>	<u>State and Federal Programs</u>
<b>Revenues</b>				
Taxes and special assessments	\$ -	\$ -	\$ -	\$ -
Intergovernmental	7,081,325	1,781,173	-	13,440,593
Charges for services	249,301	511,643	-	-
Fines and forfeits	-	-	310,001	-
Interest	2,469	1,065	759	743
Contributions	-	-	-	-
Other	92,418	2,089	-	-
	<u>7,425,513</u>	<u>2,295,970</u>	<u>310,760</u>	<u>13,441,336</u>
Total revenues	<u>7,425,513</u>	<u>2,295,970</u>	<u>310,760</u>	<u>13,441,336</u>
<b>Expenditures</b>				
Current expenditures:				
General government	-	-	-	-
Public safety	-	-	555,311	-
Highways and streets	4,699,493	3,794,740	-	-
Recreation and culture	-	-	-	-
Other functions	-	-	-	13,611,609
Debt service:				
Principal	374,715	691,600	-	-
Interest	191,792	528,145	-	-
Capital outlay	2,840,165	1,609,970	-	-
	<u>8,106,165</u>	<u>6,624,455</u>	<u>555,311</u>	<u>13,611,609</u>
Total expenditures	<u>8,106,165</u>	<u>6,624,455</u>	<u>555,311</u>	<u>13,611,609</u>
Revenues under expenditures	<u>(680,652)</u>	<u>(4,328,485)</u>	<u>(244,551)</u>	<u>(170,273)</u>
<b>Other financing sources (uses)</b>				
Transfers in	2,304,014	3,271,977	-	169,935
Transfers out	<u>(1,090,000)</u>	<u>-</u>	<u>(41,470)</u>	<u>-</u>
Total other financing sources (uses)	<u>1,214,014</u>	<u>3,271,977</u>	<u>(41,470)</u>	<u>169,935</u>
Net change in fund balances	533,362	(1,056,508)	(286,021)	(338)
Fund balances, beginning of year, as restated	<u>4,515,683</u>	<u>1,373,547</u>	<u>479,207</u>	<u>3,954</u>
<b>Fund balances, end of year</b>	<u><u>\$ 5,049,045</u></u>	<u><u>\$ 317,039</u></u>	<u><u>\$ 193,186</u></u>	<u><u>\$ 3,616</u></u>

<b>Community Development Block Grant Program</b>	<b>Principal Shopping District</b>	<b>911 Communications Center</b>	<b>Building Department</b>	<b>Parks Department</b>	<b>Tri-County Metro</b>	<b>Totals</b>
\$ -	\$ 395,403	\$ -	\$ -	\$ -	\$ -	\$ 395,403
2,072,088	-	-	-	-	446,290	24,821,469
-	5,330	5,172,408	1,353,551	-	-	7,292,233
-	-	-	-	-	83,966	393,967
-	98	-	-	524	1,505	7,163
-	10,000	-	-	-	-	10,000
57,467	142,021	-	-	-	-	293,995
<u>2,129,555</u>	<u>552,852</u>	<u>5,172,408</u>	<u>1,353,551</u>	<u>524</u>	<u>531,761</u>	<u>33,214,230</u>
-	596,945	-	1,953,337	-	-	2,550,282
-	-	5,441,712	-	-	605,618	6,602,641
-	-	-	-	-	-	8,494,233
-	-	-	-	6,301	-	6,301
-	-	-	-	-	-	13,611,609
-	-	-	-	-	-	1,066,315
-	-	-	-	-	-	719,937
2,129,555	-	-	-	-	-	6,579,690
<u>2,129,555</u>	<u>596,945</u>	<u>5,441,712</u>	<u>1,953,337</u>	<u>6,301</u>	<u>605,618</u>	<u>39,631,008</u>
-	(44,093)	(269,304)	(599,786)	(5,777)	(73,857)	(6,416,778)
-	39,180	267,959	599,785	-	56,470	6,709,320
-	-	-	-	-	(15,000)	(1,146,470)
-	39,180	267,959	599,785	-	41,470	5,562,850
-	(4,913)	(1,345)	(1)	(5,777)	(32,387)	(853,928)
-	54,080	1,345	1	473,358	475,306	7,376,481
<u>\$ -</u>	<u>\$ 49,167</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 467,581</u>	<u>\$ 442,919</u>	<u>\$ 6,522,553</u>

**City of Lansing**  
Schedule of Revenues, Expenditures and Changes in  
Fund Balances - Budget and Actual - Nonmajor Special Revenue Funds  
For the Year Ended June 30, 2011

	<b>Major Streets</b>		
	<b>Final Budget</b>	<b>Actual</b>	<b>Variance with Budget</b>
<b>Revenues</b>			
Taxes and special assessments	\$ -	\$ -	\$ -
Intergovernmental	7,050,900	7,081,325	(30,425)
Charges for services	514,431	249,301	265,130
Fines and forfeits	-	-	-
Interest	25,000	2,469	22,531
Contributions	-	-	-
Other	87,067	92,418	(5,351)
Total revenues	<u>7,677,398</u>	<u>7,425,513</u>	<u>251,885</u>
<b>Expenditures</b>			
Current expenditures:			
General government	-	-	-
Public safety	-	-	-
Highways and streets	6,288,621	4,699,493	1,589,128
Recreation and culture	-	-	-
Other functions	-	-	-
Debt service:			
Principal	374,715	374,715	-
Interest	192,153	191,792	361
Capital outlay	<u>6,537,688</u>	<u>2,840,165</u>	<u>3,697,523</u>
Total expenditures	<u>13,393,178</u>	<u>8,106,165</u>	<u>5,287,013</u>
Revenues over (under) expenditures	<u>(5,715,779)</u>	<u>(680,652)</u>	<u>(5,035,127)</u>
<b>Other financing sources (uses)</b>			
Transfers in	3,345,854	2,304,014	1,041,840
Transfers out	<u>(1,090,000)</u>	<u>(1,090,000)</u>	<u>-</u>
Total other financing sources (uses)	<u>2,255,854</u>	<u>1,214,014</u>	<u>1,041,840</u>
Net change in fund balances	(3,459,925)	533,362	(3,993,287)
Fund balances, beginning of year, as restated	<u>4,515,683</u>	<u>4,515,683</u>	<u>-</u>
<b>Fund balances (deficit), end of year</b>	<u>\$ 1,055,758</u>	<u>\$ 5,049,045</u>	<u>\$ (3,993,287)</u>

Local Streets			Drug Law Enforcement		
Final Budget	Actual	Variance with Budget	Final Budget	Actual	Variance with Budget
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2,123,201	1,781,173	342,028	-	-	-
712,837	511,643	201,194	-	-	-
-	-	-	900,000	310,001	589,999
22,000	1,065	20,935	4,000	759	3,241
-	-	-	-	-	-
-	2,089	(2,089)	-	-	-
<u>2,858,038</u>	<u>2,295,970</u>	<u>562,068</u>	<u>904,000</u>	<u>310,760</u>	<u>593,240</u>
-	-	-	-	-	-
-	-	-	601,658	555,311	46,347
4,138,411	3,794,740	343,671	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
691,600	691,600	-	-	-	-
528,560	528,145	415	-	-	-
2,258,895	1,609,970	648,925	-	-	-
<u>7,617,466</u>	<u>6,624,455</u>	<u>993,011</u>	<u>601,658</u>	<u>555,311</u>	<u>46,347</u>
<u>(4,759,428)</u>	<u>(4,328,485)</u>	<u>(430,943)</u>	<u>302,342</u>	<u>(244,551)</u>	<u>546,893</u>
3,995,478	3,271,977	723,501	-	-	-
-	-	-	(72,712)	(41,470)	(31,242)
<u>3,995,478</u>	<u>3,271,977</u>	<u>723,501</u>	<u>(72,712)</u>	<u>(41,470)</u>	<u>(31,242)</u>
(763,950)	(1,056,508)	292,558	229,630	(286,021)	515,651
1,373,547	1,373,547	-	479,207	479,207	-
<u>\$ 609,597</u>	<u>\$ 317,039</u>	<u>\$ 292,558</u>	<u>\$ 708,837</u>	<u>\$ 193,186</u>	<u>\$ 515,651</u>



**City of Lansing**  
Schedule of Revenues, Expenditures and Changes in  
Fund Balances - Budget and Actual - Nonmajor Special Revenue Funds (Continued)  
For the Year Ended June 30, 2011

	<b>State and Federal Programs</b>		
	<b>Final Budget</b>	<b>Actual</b>	<b>Variance with Budget</b>
<b>Revenues</b>			
Taxes and special assessments	\$ -	\$ -	\$ -
Intergovernmental	33,566,645	13,440,593	20,126,052
Charges for services	8,250	-	8,250
Fines and forfeits	-	-	-
Interest	5,592	743	4,849
Contributions	-	-	-
Other	-	-	-
	<hr/>	<hr/>	<hr/>
Total revenues	33,580,486	13,441,336	20,139,150
	<hr/>	<hr/>	<hr/>
<b>Expenditures</b>			
Current expenditures:			
General government	-	-	-
Public safety	-	-	-
Highways and streets	-	-	-
Recreation and culture	-	-	-
Other functions	30,983,287	13,611,609	17,371,678
Debt service:			
Principal	-	-	-
Interest	-	-	-
Capital outlay	-	-	-
	<hr/>	<hr/>	<hr/>
Total expenditures	30,983,287	13,611,609	17,371,678
	<hr/>	<hr/>	<hr/>
Revenues over (under) expenditures	2,597,200	(170,273)	2,767,473
	<hr/>	<hr/>	<hr/>
<b>Other financing sources (uses)</b>			
Transfers in	293,870	169,935	123,935
Transfers out	-	-	-
	<hr/>	<hr/>	<hr/>
Total other financing sources (uses)	293,870	169,935	123,935
	<hr/>	<hr/>	<hr/>
Net change in fund balances	2,891,070	(338)	2,891,408
	<hr/>	<hr/>	<hr/>
Fund balances, beginning of year, as restated	3,954	3,954	-
	<hr/>	<hr/>	<hr/>
<b>Fund balances (deficit), end of year</b>	<u>\$ 2,895,024</u>	<u>\$ 3,616</u>	<u>\$ 2,891,408</u>

Community Development Block Grant Program			Principal Shopping District		
Final Budget	Actual	Variance with Budget	Final Budget	Actual	Variance with Budget
\$ -	\$ -	\$ -	\$ 403,000	\$ 395,403	\$ 7,597
4,155,190	2,072,088	2,083,102	-	-	-
-	-	-	4,000	5,330	(1,330)
-	-	-	-	-	-
-	-	-	200	98	102
-	-	-	10,000	10,000	-
(83,089)	57,467	(140,556)	132,610	142,021	(9,411)
<u>4,072,100</u>	<u>2,129,555</u>	<u>1,942,545</u>	<u>549,810</u>	<u>552,852</u>	<u>(3,042)</u>
-	-	-	588,990	596,945	(7,955)
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
4,072,100	2,129,555	1,942,545	-	-	-
<u>4,072,100</u>	<u>2,129,555</u>	<u>1,942,545</u>	<u>588,990</u>	<u>596,945</u>	<u>(7,955)</u>
-	-	-	(39,180)	(44,093)	4,913
-	-	-	39,180	39,180	-
-	-	-	-	-	-
-	-	-	39,180	39,180	-
-	-	-	-	(4,913)	4,913
-	-	-	54,080	54,080	-
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 54,080</u>	<u>\$ 49,167</u>	<u>\$ 4,913</u>

# City of Lansing

## Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual - Nonmajor Special Revenue Funds (Continued) For the Year Ended June 30, 2011

	<b>911 Communications Center</b>		
	<b>Final Budget</b>	<b>Actual</b>	<b>Variance with Budget</b>
<b>Revenues</b>			
Taxes and special assessments	\$ -	\$ -	\$ -
Intergovernmental	-	-	-
Charges for services	5,183,218	5,172,408	10,810
Fines and forfeits	-	-	-
Interest	-	-	-
Contributions	-	-	-
Other	-	-	-
	<u>5,183,218</u>	<u>5,172,408</u>	<u>10,810</u>
Total revenues			
	<u>5,183,218</u>	<u>5,172,408</u>	<u>10,810</u>
<b>Expenditures</b>			
Current expenditures:			
General government	-	-	-
Public safety	5,447,343	5,441,712	5,631
Highways and streets	-	-	-
Recreation and culture	-	-	-
Other functions	-	-	-
Debt service:			
Principal	-	-	-
Interest	-	-	-
Capital outlay	-	-	-
	<u>5,447,343</u>	<u>5,441,712</u>	<u>5,631</u>
Total expenditures			
	<u>5,447,343</u>	<u>5,441,712</u>	<u>5,631</u>
Revenues over (under) expenditures			
	<u>(264,125)</u>	<u>(269,304)</u>	<u>5,179</u>
<b>Other financing sources (uses)</b>			
Transfers in	261,422	267,959	(6,537)
Transfers out	-	-	-
	<u>261,422</u>	<u>267,959</u>	<u>(6,537)</u>
Total other financing sources (uses)			
	<u>261,422</u>	<u>267,959</u>	<u>(6,537)</u>
Net change in fund balances			
	<u>(2,703)</u>	<u>(1,345)</u>	<u>(1,358)</u>
Fund balances, beginning of year, as restated			
	<u>1,345</u>	<u>1,345</u>	<u>-</u>
<b>Fund balances (deficit), end of year</b>			
	<u>\$ (1,358)</u>	<u>\$ -</u>	<u>\$ (1,358)</u>

Building Department			Parks Department		
Final Budget	Actual	Variance with Budget	Final Budget	Actual	Variance with Budget
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
1,357,400	1,353,551	3,849	-	-	-
-	-	-	-	-	-
-	-	-	-	524	(524)
-	-	-	-	-	-
-	-	-	-	-	-
<u>1,357,400</u>	<u>1,353,551</u>	<u>3,849</u>	<u>-</u>	<u>524</u>	<u>(524)</u>
1,956,400	1,953,337	3,063	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	47,964	6,301	41,663
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>1,956,400</u>	<u>1,953,337</u>	<u>3,063</u>	<u>47,964</u>	<u>6,301</u>	<u>41,663</u>
<u>(599,000)</u>	<u>(599,786)</u>	<u>786</u>	<u>(47,964)</u>	<u>(5,777)</u>	<u>(42,187)</u>
599,000	599,785	(785)	-	-	-
-	-	-	-	-	-
<u>599,000</u>	<u>599,785</u>	<u>(785)</u>	<u>-</u>	<u>-</u>	<u>-</u>
-	(1)	1	(47,964)	(5,777)	(42,187)
<u>1</u>	<u>1</u>	<u>-</u>	<u>473,358</u>	<u>473,358</u>	<u>-</u>
<u>\$ 1</u>	<u>\$ -</u>	<u>\$ 1</u>	<u>\$ 425,394</u>	<u>\$ 467,581</u>	<u>\$ (42,187)</u>

**City of Lansing**  
Schedule of Revenues, Expenditures and Changes in  
Fund Balances - Budget and Actual - Nonmajor Special Revenue Funds (Concluded)  
For the Year Ended June 30, 2011

	<b>Tri-County Metro</b>		
	<b>Final Budget</b>	<b>Actual</b>	<b>Variance with Budget</b>
<b>Revenues</b>			
Taxes and special assessments	\$ -	\$ -	\$ -
Intergovernmental	1,036,160	446,290	589,870
Charges for services	-	-	-
Fines and forfeits	335,000	83,966	251,034
Interest	2,805	1,505	1,300
Contributions	-	-	-
Other	-	-	-
	<u>1,373,965</u>	<u>531,761</u>	<u>842,204</u>
<b>Expenditures</b>			
Current expenditures:			
General government	-	-	-
Public safety	1,422,838	605,618	817,220
Highways and streets	-	-	-
Recreation and culture	-	-	-
Other functions	-	-	-
Debt service:			
Principal	-	-	-
Interest	-	-	-
Capital outlay	-	-	-
	<u>1,422,838</u>	<u>605,618</u>	<u>817,220</u>
Revenues over (under) expenditures	<u>(48,873)</u>	<u>(73,857)</u>	<u>24,984</u>
<b>Other financing sources (uses)</b>			
Transfers in	59,178	56,470	2,708
Transfers out	(15,000)	(15,000)	-
	<u>44,178</u>	<u>41,470</u>	<u>2,708</u>
Net change in fund balances	(4,695)	(32,387)	27,692
Fund balances, beginning of year, as restated	<u>475,306</u>	<u>475,306</u>	<u>-</u>
<b>Fund balances, end of year</b>	<u>\$ 470,611</u>	<u>\$ 442,919</u>	<u>\$ 27,692</u>

<b>Totals</b>		
<b>Final Budget</b>	<b>Actual</b>	<b>Variance with Budget</b>
\$ 403,000	\$ 395,403	\$ 7,597
47,932,095	24,821,469	23,110,626
7,780,136	7,292,233	487,903
1,235,000	393,967	841,033
59,597	7,163	52,434
10,000	10,000	-
136,588	293,995	(157,407)
<u>57,556,416</u>	<u>33,214,230</u>	<u>24,342,186</u>
2,545,390	2,550,282	(4,892)
7,471,839	6,602,641	869,198
10,427,032	8,494,233	1,932,799
47,964	6,301	41,663
30,983,287	13,611,609	17,371,678
1,066,315	1,066,315	-
720,713	719,937	776
12,868,684	6,579,690	6,288,994
<u>66,131,224</u>	<u>39,631,008</u>	<u>26,500,216</u>
<u>(8,574,808)</u>	<u>(6,416,778)</u>	<u>2,158,030</u>
8,593,983	6,709,320	1,884,663
<u>(1,177,712)</u>	<u>(1,146,470)</u>	<u>(31,242)</u>
<u>7,416,271</u>	<u>5,562,850</u>	<u>1,853,421</u>
(1,158,537)	(853,928)	304,609
<u>7,376,481</u>	<u>7,376,481</u>	<u>-</u>
<u>\$ 6,217,944</u>	<u>\$ 6,522,553</u>	<u>\$ 304,609</u>

**CITY OF LANSING**

## **Nonmajor Debt Service Funds**

---

**1998 Building Authority Fund** – This fund accounts for the accumulation of resources for payment of the 1998 \$2,175,000 Building Authority Bonds.

**1999 Fire Station Fund** – This fund accounts for the accumulation of resources for payment of the 1999 \$3,000,000 Unlimited Tax General Obligation Bonds.

**2001 Fire Station Fund** – This fund accounts for the accumulation of resources for the payment of the 2001 \$4,000,000 Unlimited Tax General Obligation Bonds.



**City of Lansing**  
Combining Balance Sheet - Nonmajor Debt Service Funds  
June 30, 2011

	<b>1998 Building Authority</b>	<b>1999 Fire Station</b>	<b>2001 Fire Station</b>	<b>Totals</b>
<b>Assets</b>				
Equity in pooled cash	\$ -	\$ 46,028	\$ -	\$ 46,028
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
<b>Fund balances</b>				
Restricted	\$ -	\$ 46,028	\$ -	\$ 46,028
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>

**City of Lansing**  
Combining Statement of Revenues, Expenditures and  
Changes in Fund Balances - Nonmajor Debt Service Funds  
For the Year Ended June 30, 2011

	<b>1998 Building Authority</b>	<b>1999 Fire Station</b>	<b>2001 Fire Station</b>	<b>Totals</b>
<b>Revenues</b>				
Taxes and special assessments	\$ -	\$ 263,016	\$ 343,582	\$ 606,598
Interest	-	1,843	2,560	4,403
Total revenues	-	264,859	346,142	611,001
<b>Expenditures</b>				
Debt service:				
Principal payments	125,000	185,000	300,000	610,000
Interest	51,300	78,169	93,227	222,696
Issuance costs	-	-	48,804	48,804
Total expenditures	176,300	263,169	442,031	881,500
Revenues over (under) expenditures	(176,300)	1,690	(95,889)	(270,499)
<b>Other financing sources (uses)</b>				
Transfers in	176,300	-	-	176,300
Issuance of long-term debt	-	-	2,470,000	2,470,000
Payment to refunded bond escrow agent	-	-	(2,456,207)	(2,456,207)
Total other financing sources	176,300	-	13,793	190,093
Net change in fund balances	-	1,690	(82,096)	(80,406)
Fund balances, beginning of year	-	44,338	82,096	126,434
<b>Fund balances, end of year</b>	<b>\$ -</b>	<b>\$ 46,028</b>	<b>\$ -</b>	<b>\$ 46,028</b>

**CITY OF LANSING**

## **Nonmajor Capital Projects Funds**

---

**1990 Environmental I Fund** – This fund accounts for the proceeds of the 1990 \$7,000,000 environmental bonds.

**1990 Environmental II Fund** – This fund accounts for the proceeds of the 1990 \$6,300,000 environmental bonds.

**Special Assessments Fund** – This fund is used to account for the financing of public improvements deemed to benefit the properties against which special assessments are levied.

**Lansing Center Improvements Fund** – This fund accounts for the proceeds of the 2006 \$4,000,000 Lansing Center limited tax bonds.

**MTF Bonds Fund** – This fund accounts for the proceeds of the \$1,600,000 Michigan Transportation Fund limited tax bonds.

**2009 Build America Construction Fund** – This fund accounts for the proceeds of the 2009 \$10,197,000 capital improvement limited tax general obligation bonds.

**Other Capital Projects Fund** – This fund accounts for miscellaneous capital projects.

**City of Lansing**  
Combining Balance Sheet - Nonmajor Capital Projects Funds  
June 30, 2011

	<b>1990 Environ- mental I</b>	<b>1990 Environ- mental II</b>	<b>Special Assess- ments</b>	<b>Lansing Center Improvements</b>
<b>Assets</b>				
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -
Equity in pooled cash	59,999	184,440	-	364,305
Investments	-	-	-	-
Accounts receivable	-	-	-	-
Special assessments receivable:				
Current	-	-	88,225	-
Deferred	-	-	718,406	-
Advances to other funds	-	-	-	-
Due from other governments	-	-	1,070	-
	<u>-</u>	<u>-</u>	<u>1,070</u>	<u>-</u>
<b>Total assets</b>	<u><u>\$ 59,999</u></u>	<u><u>\$ 184,440</u></u>	<u><u>\$ 807,701</u></u>	<u><u>\$ 364,305</u></u>
<b><u>Liabilities and fund balances</u></b>				
<b>Liabilities</b>				
Accounts payable	\$ 16,780	\$ -	\$ 17,201	\$ 105,153
Due to other funds	-	-	-	-
Advance from other funds	-	-	243,379	-
Deferred revenue	-	-	718,406	-
	<u>-</u>	<u>-</u>	<u>718,406</u>	<u>-</u>
Total liabilities	<u>16,780</u>	<u>-</u>	<u>978,986</u>	<u>105,153</u>
<b>Fund balances</b>				
Nonspendable	-	-	-	-
Restricted	43,219	184,440	-	259,152
Committed	-	-	-	-
Unassigned (deficit)	-	-	(171,285)	-
	<u>-</u>	<u>-</u>	<u>(171,285)</u>	<u>-</u>
Total fund balances (deficit)	<u>43,219</u>	<u>184,440</u>	<u>(171,285)</u>	<u>259,152</u>
<b>Total liabilities and fund balances</b>	<u><u>\$ 59,999</u></u>	<u><u>\$ 184,440</u></u>	<u><u>\$ 807,701</u></u>	<u><u>\$ 364,305</u></u>

<b>MTF Bonds</b>	<b>2009 Build America Construction</b>	<b>Other</b>	<b>Totals</b>
\$ 1,421,167	\$ -	\$ -	\$ 1,421,167
-	-	4,525,558	5,134,302
-	1,395,598	-	1,395,598
-	-	140,767	140,767
-	-	-	88,225
-	-	-	718,406
-	-	80,531	80,531
-	-	-	1,070
<u>\$ 1,421,167</u>	<u>\$ 1,395,598</u>	<u>\$ 4,746,856</u>	<u>\$ 8,980,066</u>
\$ -	\$ -	\$ 225,166	\$ 364,300
390,237	542,732	-	932,969
-	-	-	243,379
-	-	-	718,406
<u>390,237</u>	<u>542,732</u>	<u>225,166</u>	<u>2,259,054</u>
-	-	80,531	80,531
1,030,930	852,866	-	2,370,607
-	-	4,441,159	4,441,159
-	-	-	(171,285)
<u>1,030,930</u>	<u>852,866</u>	<u>4,521,690</u>	<u>6,721,012</u>
<u>\$ 1,421,167</u>	<u>\$ 1,395,598</u>	<u>\$ 4,746,856</u>	<u>\$ 8,980,066</u>

**City of Lansing**  
Combining Statement of Revenues, Expenditures and  
Changes in Fund Balances - Nonmajor Capital Projects Funds  
For the Year Ended June 30, 2011

	<b>1990 Environ- mental I</b>	<b>1990 Environ- mental II</b>	<b>Special Assess- ments</b>	<b>Lansing Center Improvements</b>
<b>Revenues</b>				
Special assessments	\$ -	\$ -	\$ 17,627	\$ -
Charges for services	-	-	-	-
Interest	96	205	-	729
	<u>96</u>	<u>205</u>	<u>-</u>	<u>729</u>
Total revenues	96	205	17,627	729
<b>Expenditures</b>				
Capital outlay	43,243	-	39,239	407,515
	<u>43,243</u>	<u>-</u>	<u>39,239</u>	<u>407,515</u>
Revenues over (under) expenditures	(43,147)	205	(21,612)	(406,786)
	<u>(43,147)</u>	<u>205</u>	<u>(21,612)</u>	<u>(406,786)</u>
<b>Other financing sources (uses)</b>				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total other financing sources (uses)	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	(43,147)	205	(21,612)	(406,786)
	<u>(43,147)</u>	<u>205</u>	<u>(21,612)</u>	<u>(406,786)</u>
Fund balance (deficit), beginning of year	86,366	184,235	(149,673)	665,938
	<u>86,366</u>	<u>184,235</u>	<u>(149,673)</u>	<u>665,938</u>
<b>Fund balance (deficit), end of year</b>	<u>\$ 43,219</u>	<u>\$ 184,440</u>	<u>\$ (171,285)</u>	<u>\$ 259,152</u>

	<b>2009</b>		
<b>MTF Bonds</b>	<b>Build America Construction</b>	<b>Other</b>	<b>Totals</b>
\$ -	\$ -	\$ -	\$ 17,627
-	-	863,529	863,529
-	14,637	2,344	18,011
-	14,637	865,873	899,167
351	-	2,886,065	3,376,413
(351)	14,637	(2,020,192)	(2,477,246)
-	-	2,115,500	2,115,500
(135,375)	(3,630,956)	(846,086)	(4,612,417)
(135,375)	(3,630,956)	1,269,414	(2,496,917)
(135,726)	(3,616,319)	(750,778)	(4,974,163)
1,166,656	4,469,185	5,272,468	11,695,175
<u>\$ 1,030,930</u>	<u>\$ 852,866</u>	<u>\$ 4,521,690</u>	<u>\$ 6,721,012</u>



**CITY OF LANSING**

## **Permanent Funds**

---

**Cemetery Perpetual Care Fund** – This fund accounts for transfers from the Cemetery Fund, representing 15% of lot sales. These funds are invested, and all investment earnings are transferred to the Cemetery Fund for lot maintenance.

**Parks Trust Fund** – This fund accounts for contributions made for City parks, the principal of which must be preserved in accordance with the trust indentures. Income derived from these contributions is transferred to the Parks Department special revenue fund.

**City of Lansing**  
Combining Balance Sheet - Nonmajor Permanent Funds  
June 30, 2011

	<b>Cemetery Perpetual Care</b>	<b>Parks Trust</b>	<b>Totals</b>
<b>Assets</b>			
Equity in pooled cash	\$ 1,665,126	\$ 1,251	\$ 1,666,377
<b>Fund balances</b>			
Nonspendable	\$ 1,665,126	\$ 1,251	\$ 1,666,377

**City of Lansing**  
Combining Statement of Revenues, Expenditures and  
Changes in Fund Balances - Nonmajor Permanent Funds  
For the Year Ended June 30, 2011

	<b>Cemetery Perpetual Care</b>	<b>Parks Trust</b>	<b>Totals</b>
<b>Revenues</b>			
Interest	\$ 11,833	\$ 1	\$ 11,834
<b>Other financing sources (uses)</b>			
Transfers in	16,826	-	16,826
Transfers out	(11,833)	-	(11,833)
Total other financing sources	4,993	-	4,993
Net change in fund balances	16,826	1	16,827
Fund balances, beginning of year	1,648,300	1,250	1,649,550
<b>Fund balances, end of year</b>	<b>\$ 1,665,126</b>	<b>\$ 1,251</b>	<b>\$ 1,666,377</b>

**CITY OF LANSING**

## **Nonmajor Enterprise Funds**

---

**Cemetery Fund** – This fund accounts for the operation of City-owned cemeteries.

**Golf Fund** – This fund accounts for the operation of the City-owned golf courses.

**Garbage and Rubbish Collection Fund** – This fund accounts for the provision of household solid waste disposal services to participating residents of the City.

**Recycling Fund** – This fund accounts for the provision of recycling services to participating residents of the City.

**City of Lansing**  
Combining Statement of Net Assets - Nonmajor Enterprise Funds  
June 30, 2011

	<u>Cemetery</u>	<u>Golf</u>	<u>Garbage and Rubbish Collection</u>
<b>Assets</b>			
Current assets:			
Cash and cash equivalents	\$ 200	\$ 4,532	\$ 9,688
Equity in pooled cash	4,695	115,073	44,028
Accounts receivable, net	-	-	568,037
Inventories	81,517	2,151	10,535
Total current assets	<u>86,412</u>	<u>121,756</u>	<u>632,288</u>
Noncurrent assets:			
Capital assets not being depreciated	57,740	446,501	-
Capital assets being depreciated, net	193,273	2,386,084	-
Total noncurrent assets	<u>251,013</u>	<u>2,832,585</u>	<u>-</u>
Total assets	<u>337,425</u>	<u>2,954,341</u>	<u>632,288</u>
<b>Liabilities</b>			
Current liabilities:			
Accounts payable	7,365	5,020	26,868
Accrued interest payable	-	7,825	-
Accrued payroll	1,870	21,635	-
Due to other funds	40,000	-	150,000
Unearned revenues	-	31,519	93,344
Current portion of bonds and notes	-	80,000	-
Total current liabilities	<u>49,235</u>	<u>145,999</u>	<u>270,212</u>
Noncurrent liabilities:			
Bonds and notes payable, net of current portion	-	473,464	-
Compensated absences	18,769	42,130	20,549
Total noncurrent liabilities	<u>18,769</u>	<u>515,594</u>	<u>20,549</u>
Total liabilities	<u>68,004</u>	<u>661,593</u>	<u>290,761</u>
<b>Net assets</b>			
Invested in capital assets, net of related debt	251,013	2,279,121	-
Unrestricted	18,408	13,627	341,527
Total net assets	<u>\$ 269,421</u>	<u>\$ 2,292,748</u>	<u>\$ 341,527</u>

<u>Recycling</u>	<u>Totals</u>
\$ -	\$ 14,420
1,079,160	1,242,956
3,504	571,541
-	94,203
<u>1,082,664</u>	<u>1,923,120</u>
19,412	523,653
<u>710,281</u>	<u>3,289,638</u>
<u>729,693</u>	<u>3,813,291</u>
<u>1,812,357</u>	<u>5,736,411</u>
30,506	69,759
-	7,825
1,492	24,997
-	190,000
-	124,863
-	80,000
<u>31,998</u>	<u>497,444</u>
-	473,464
<u>43,059</u>	<u>124,507</u>
<u>43,059</u>	<u>597,971</u>
<u>75,057</u>	<u>1,095,415</u>
729,693	3,259,827
<u>1,007,607</u>	<u>1,381,169</u>
<u>\$ 1,737,300</u>	<u>\$ 4,640,996</u>



**City of Lansing**  
Combining Statement of Revenues, Expenses and  
Changes in Fund Net Assets - Nonmajor Enterprise Funds  
For the Year Ended June 30, 2011

	<u>Cemetery</u>	<u>Golf</u>	<u>Garbage and Rubbish Collection</u>
<b>Operating revenues</b>			
Charges for services	\$ 225,947	\$ 382,546	\$ 1,507,577
<b>Operating expenses</b>			
Personal services	473,799	429,150	742,935
Contractual and materials	264,911	286,178	772,517
Depreciation	17,056	98,336	-
	<u>755,766</u>	<u>813,664</u>	<u>1,515,452</u>
Total operating expenses			
	<u>755,766</u>	<u>813,664</u>	<u>1,515,452</u>
Operating loss	<u>(529,819)</u>	<u>(431,118)</u>	<u>(7,875)</u>
<b>Nonoperating revenues (expenses)</b>			
Interest revenue	-	-	-
Gain on sale of capital assets	4,463	3,485	-
Interest expense and fees	-	(33,153)	(148)
	<u>4,463</u>	<u>(29,668)</u>	<u>(148)</u>
Total nonoperating revenues (expenses)			
	<u>4,463</u>	<u>(29,668)</u>	<u>(148)</u>
Loss before contributions and transfers	(525,356)	(460,786)	(8,023)
<b>Transfers in</b>	363,167	587,473	-
<b>Transfers out</b>	<u>(16,826)</u>	<u>-</u>	<u>-</u>
Change in net assets	(179,015)	126,687	(8,023)
Net assets, beginning of year	<u>448,436</u>	<u>2,166,061</u>	<u>349,550</u>
<b>Net assets, end of year</b>	<u><u>\$ 269,421</u></u>	<u><u>\$ 2,292,748</u></u>	<u><u>\$ 341,527</u></u>

<u>Recycling</u>	<u>Totals</u>
<u>\$ 2,609,423</u>	<u>\$ 4,725,493</u>
1,610,958	3,256,842
1,175,847	2,499,453
<u>22,548</u>	<u>137,940</u>
<u>2,809,353</u>	<u>5,894,235</u>
<u>(199,930)</u>	<u>(1,168,742)</u>
916	916
-	7,948
<u>-</u>	<u>(33,301)</u>
<u>916</u>	<u>(24,437)</u>
(199,014)	(1,193,179)
-	950,640
<u>-</u>	<u>(16,826)</u>
(199,014)	(259,365)
<u>1,936,314</u>	<u>4,900,361</u>
<u>\$ 1,737,300</u>	<u>\$ 4,640,996</u>

**City of Lansing**  
Combining Statement of Cash Flows  
Nonmajor Enterprise Funds  
For the Year Ended June 30, 2011

	<u>Cemetery</u>	<u>Golf</u>	<u>Garbage and Rubbish Collection</u>
<b>Cash flows from operating activities</b>			
Cash received from customers	\$ 225,947	\$ 382,546	\$ 1,534,097
Cash payments for goods and services	(204,256)	(353,688)	(897,626)
Cash payments to employees	(492,456)	(426,191)	(742,935)
Net cash used for operating activities	<u>(470,765)</u>	<u>(397,333)</u>	<u>(106,464)</u>
<b>Cash flows from noncapital financing activities</b>			
Transfers in	363,167	587,473	-
Transfers out	(16,826)	-	-
Net cash provided by noncapital financing activities	<u>346,341</u>	<u>587,473</u>	<u>-</u>
<b>Cash flows from capital and related financing activities</b>			
Proceeds from sale of capital assets	4,463	3,485	-
Principal paid on bonds	-	(75,000)	-
Interest paid on bonds	-	(32,612)	(148)
Net cash provided by (used for) capital and related financing activities	<u>4,463</u>	<u>(104,127)</u>	<u>(148)</u>
<b>Cash flows from investing activities</b>			
Interest and dividends received	-	-	-
Net increase (decrease) in cash and cash equivalents	(119,961)	86,013	(106,612)
Cash and cash equivalents:			
Beginning of year	<u>124,856</u>	<u>33,592</u>	<u>160,328</u>
<b>End of year</b>	<u><u>\$ 4,895</u></u>	<u><u>\$ 119,605</u></u>	<u><u>\$ 53,716</u></u>
<b>Reconciliation to statement of net assets</b>			
Cash and cash equivalents	\$ 200	\$ 4,532	\$ 9,688
Equity in pooled cash	<u>4,695</u>	<u>115,073</u>	<u>44,028</u>
	<u><u>\$ 4,895</u></u>	<u><u>\$ 119,605</u></u>	<u><u>\$ 53,716</u></u>

<u>Recycling</u>	<u>Totals</u>
\$ 2,607,425	\$ 4,750,015
(1,136,277)	(2,591,847)
<u>(1,609,466)</u>	<u>(3,271,048)</u>
 (138,318)	 (1,112,880)
 -	 950,640
<u>-</u>	<u>(16,826)</u>
 -	 933,814
<u>-</u>	<u>(32,760)</u>
 -	 (99,812)
<u>-</u>	<u>(99,812)</u>
 916	 916
<u>916</u>	<u>916</u>
 (137,402)	 (277,962)
 1,216,562	 1,535,338
<u>1,216,562</u>	<u>1,535,338</u>
<u>\$ 1,079,160</u>	<u>\$ 1,257,376</u>
 \$ -	 \$ 14,420
<u>1,079,160</u>	<u>1,242,956</u>
<u>\$ 1,079,160</u>	<u>\$ 1,257,376</u>

continued...

**City of Lansing**  
Combining Statement of Cash Flows (Concluded)  
Nonmajor Enterprise Funds  
For the Year Ended June 30, 2011

	<u>Cemetery</u>	<u>Golf</u>	<u>Garbage and Rubbish Collection</u>
<b>Reconciliation of operating loss to net cash used for operating activities</b>			
Operating loss	\$ (529,819)	\$ (431,118)	\$ (7,875)
Adjustments to reconcile operating loss to net cash from operating activities:			
Depreciation expense	17,056	98,336	-
Changes in assets and liabilities:			
Accounts receivable	-	-	26,520
Inventories	6,102	2,048	4,386
Accounts payable	890	(8,876)	(5,472)
Accrued interest payable	-	(1,013)	-
Accrued payroll	(18,657)	2,959	-
Due to other funds	40,000	(80,000)	(150,000)
Unearned revenues	-	1,069	5,428
Compensated absences	13,663	19,262	20,549
<b>Net cash used for operating activities</b>	<u><u>\$ (470,765)</u></u>	<u><u>\$ (397,333)</u></u>	<u><u>\$ (106,464)</u></u>

<u>Recycling</u>	<u>Totals</u>
\$ (199,930)	\$ (1,168,742)
22,548	137,940
(1,998)	24,522
-	12,536
3,474	(9,984)
-	(1,013)
1,492	(14,206)
-	(190,000)
-	6,497
<u>36,096</u>	<u>89,570</u>
<u><u>\$ (138,318)</u></u>	<u><u>\$ (1,112,880)</u></u>

**CITY OF LANSING**

## **Internal Service Funds**

---

**Fleet Maintenance Fund** – This fund accounts for the costs of maintaining the City’s fleet of vehicles and heavy equipment.

**Fringe Benefits Fund** – This fund accounts for the costs of the City’s fringe benefits.

**Engineering Fund** – This fund accounts for the operations of the City’s engineering department.



**City of Lansing**  
Combining Statement of Net Assets  
Internal Service Funds  
June 30, 2011

	<b>Fleet Maintenance</b>	<b>Fringe Benefits</b>	<b>Engineering</b>	<b>Totals</b>
<b>Assets</b>				
Current assets:				
Equity in pooled cash	\$ 2,334,345	\$ 677,598	\$ 542,064	\$ 3,554,007
Accounts receivable, net	-	2,747,146	-	2,747,146
Inventories	830,241	-	-	830,241
Prepays	-	759,373	-	759,373
Total current assets	<u>3,164,586</u>	<u>4,184,117</u>	<u>542,064</u>	<u>7,890,767</u>
Noncurrent assets:				
Restricted assets:				
Cash and cash equivalents	3,118,494	-	-	3,118,494
Bond issuance costs, net	54,327	-	3,051	57,378
Capital assets not being depreciated	55,297	-	-	55,297
Capital assets being depreciated, net	<u>5,508,251</u>	<u>-</u>	<u>1,822,045</u>	<u>7,330,296</u>
Total non-current assets	<u>8,736,369</u>	<u>-</u>	<u>1,825,096</u>	<u>10,561,465</u>
Total assets	<u>11,900,955</u>	<u>4,184,117</u>	<u>2,367,160</u>	<u>18,452,232</u>
<b>Liabilities</b>				
Current liabilities:				
Accounts payable	105,350	866,293	551	972,194
Accrued interest payable	18,154	-	13,553	31,707
Accrued payroll	80,236	673,368	61,516	815,120
Claims incurred but not reported	-	1,402,760	-	1,402,760
Due to other funds	-	1,699,756	-	1,699,756
Current portion of:				
Bonds and notes payable	-	-	150,000	150,000
Compensated absences	<u>79,423</u>	<u>-</u>	<u>-</u>	<u>79,423</u>
Total current liabilities	<u>283,163</u>	<u>4,642,177</u>	<u>225,620</u>	<u>5,150,960</u>
Noncurrent liabilities:				
Bonds and notes payable, net of current portions	3,168,552	-	610,000	3,778,552
Compensated absences, net of current portion	<u>142,161</u>	<u>15,332</u>	<u>469,495</u>	<u>626,988</u>
Total non-current liabilities	<u>3,310,713</u>	<u>15,332</u>	<u>1,079,495</u>	<u>4,405,540</u>
Total liabilities	<u>3,593,876</u>	<u>4,657,509</u>	<u>1,305,115</u>	<u>9,556,500</u>
<b>Net assets</b>				
Invested in capital assets, net of related debt	2,394,996	-	1,062,045	3,457,041
Restricted for debt retirement	3,118,494	-	-	3,118,494
Unrestricted (deficit)	<u>2,793,589</u>	<u>(473,392)</u>	<u>-</u>	<u>2,320,197</u>
Total net assets (deficit)	<u>\$ 8,307,079</u>	<u>\$ (473,392)</u>	<u>\$ 1,062,045</u>	<u>\$ 8,895,732</u>

**City of Lansing**  
Combining Statement of Revenues, Expenses  
and Changes in Fund Net Assets  
Internal Service Funds  
For the Year Ended June 30, 2011

	<u>Fleet Maintenance</u>	<u>Fringe Benefits</u>	<u>Engineering</u>	<u>Totals</u>
<b>Operating revenues</b>				
Charges for services	\$ 6,505,621	\$ 54,349,699	\$ 3,079,920	\$ 63,935,240
Intergovernmental	<u>-</u>	<u>1,416,366</u>	<u>-</u>	<u>1,416,366</u>
Total operating revenues	<u>6,505,621</u>	<u>55,766,065</u>	<u>3,079,920</u>	<u>65,351,606</u>
<b>Operating expenses</b>				
Personal services	2,717,177	266,030	2,398,593	5,381,800
Purchase of goods and services	2,908,638	53,827,420	552,033	57,288,091
Depreciation	<u>1,487,755</u>	<u>-</u>	<u>43,905</u>	<u>1,531,660</u>
Total operating expenses	<u>7,113,570</u>	<u>54,093,450</u>	<u>2,994,531</u>	<u>64,201,551</u>
Operating income (loss)	<u>(607,949)</u>	<u>1,672,615</u>	<u>85,389</u>	<u>1,150,055</u>
<b>Nonoperating revenues (expenses)</b>				
Interest revenue	5,622	-	-	5,622
Gain on sale of capital assets	108,601	-	-	108,601
Interest expense and fees	<u>(57,024)</u>	<u>-</u>	<u>(46,486)</u>	<u>(103,510)</u>
Total nonoperating revenues (expenses)	<u>57,199</u>	<u>-</u>	<u>(46,486)</u>	<u>10,713</u>
Change in net assets	(550,750)	1,672,615	38,903	1,160,768
Net assets (deficit), beginning of year	<u>8,857,829</u>	<u>(2,146,007)</u>	<u>1,023,142</u>	<u>7,734,964</u>
<b>Net assets (deficit), end of year</b>	<u>\$ 8,307,079</u>	<u>\$ (473,392)</u>	<u>\$ 1,062,045</u>	<u>\$ 8,895,732</u>

**City of Lansing**  
Combining Statement of Cash Flows  
Internal Service Funds  
For the Year Ended June 30, 2011

	<b>Fleet Maintenance</b>	<b>Fringe Benefits</b>	<b>Engineering</b>	<b>Totals</b>
<b>Cash flows from operating activities</b>				
Cash received from interfund services	\$ 8,184,821	\$ 53,643,003	\$ 3,079,920	\$ 64,907,744
Cash payments for goods and services	(2,933,634)	(53,387,770)	(546,378)	(56,867,782)
Cash payments to employees	(2,696,404)	(266,030)	(2,399,456)	(5,361,890)
Net cash provided by (used for) operating activities	<u>2,554,783</u>	<u>(10,797)</u>	<u>134,086</u>	<u>2,678,072</u>
<b>Cash flows from capital and related financing activities</b>				
Proceeds from sale of capital assets	108,601	-	-	108,601
Acquisition and construction of capital assets	(2,242,787)	-	-	(2,242,787)
Principal paid on revenue and general obligation bonds	-	-	(145,000)	(145,000)
Interest paid on revenue and general obligation bonds	(87,519)	-	(45,832)	(133,351)
Bond proceeds	3,200,000	-	-	3,200,000
Cash paid for bond issuance costs	(55,280)	-	-	(55,280)
Net cash provided by (used for) capital and related financing activities	<u>923,015</u>	<u>-</u>	<u>(190,832)</u>	<u>732,183</u>
<b>Cash flows from investing activities</b>				
Interest and dividends received	<u>5,622</u>	<u>-</u>	<u>-</u>	<u>5,622</u>
Net increase (decrease) in cash and cash equivalents	3,483,420	(10,797)	(56,746)	3,415,877
Cash and cash equivalents, beginning of year	<u>1,969,419</u>	<u>688,395</u>	<u>598,810</u>	<u>3,256,624</u>
<b>Cash and cash equivalents, end of year</b>	<u><u>\$ 5,452,839</u></u>	<u><u>\$ 677,598</u></u>	<u><u>\$ 542,064</u></u>	<u><u>\$ 6,672,501</u></u>
<b>Reconciliation to statement of net assets</b>				
Equity in pooled cash	\$ 2,334,345	\$ 677,598	\$ 542,064	\$ 3,554,007
Restricted cash and cash equivalents	<u>3,118,494</u>	<u>-</u>	<u>-</u>	<u>3,118,494</u>
	<u><u>\$ 5,452,839</u></u>	<u><u>\$ 677,598</u></u>	<u><u>\$ 542,064</u></u>	<u><u>\$ 6,672,501</u></u>
<b>Reconciliation of operating income (loss) to net cash provided by (used for) operating activities</b>				
<b>Operating income (loss)</b>	<u>\$ (607,949)</u>	<u>\$ 1,672,615</u>	<u>\$ 85,389</u>	<u>\$ 1,150,055</u>
Adjustments to reconcile operating loss to net cash provided by (used for) operating activities				
Depreciation expense	1,487,755	-	43,905	1,531,660
Change in:				
Accounts receivable	49,200	(2,123,062)	-	(2,073,862)
Inventories	(5,348)	-	-	(5,348)
Prepays	-	18,247	-	18,247
Due from other funds	1,630,000	-	-	1,630,000
Accounts payable	(49,379)	103,235	(58,727)	(4,871)
Accrued interest payable	18,154	-	(2,586)	15,568
Accrued payroll	20,773	(672,274)	(863)	(652,364)
Other	-	(724,646)	-	(724,646)
Due to other funds	-	1,699,756	-	1,699,756
Compensated absences	11,577	15,332	66,968	93,877
Total adjustments	<u>3,162,732</u>	<u>(1,683,412)</u>	<u>48,697</u>	<u>1,528,017</u>
Net cash provided by (used for) operating activities	<u><u>\$ 2,554,783</u></u>	<u><u>\$ (10,797)</u></u>	<u><u>\$ 134,086</u></u>	<u><u>\$ 2,678,072</u></u>

## **Agency Funds**

---

**Bail Bonds Fund** – This fund is used to hold cash received by the District Court for bail bonds.

**Garnishment, Indemnity Bond and Restitution Fund** – This fund is used to hold cash received by the District Court for garnishment payments until claimed, and to hold indemnity bonds deposited relating to civil disputes until the Court rules on the case.

**City of Lansing**  
Combining Statement of Fiduciary Assets and Liabilities  
Agency Funds  
June 30, 2011

	<b>54-A District Court</b>		
	<b>Bail</b>	<b>Garnishment,</b>	
	<b>Bonds</b>	<b>Indemnity Bond</b>	<b>Totals</b>
		<b>and Restitution</b>	
<b>Assets</b>			
Equity in pooled cash	\$ 61,374	\$ 11,307	\$ 72,681
<b>Liabilities</b>			
Undistributed receipts	\$ 61,374	\$ 11,307	\$ 72,681

**City of Lansing**  
Combining Statement of Changes in Fiduciary Assets and Liabilities  
Agency Funds  
For the Year Ended June 30, 2011

	<b><u>Beginning Balance</u></b>	<b><u>Additions</u></b>	<b><u>Deletions</u></b>	<b><u>Ending Balance</u></b>
<b>54-A District Court - Bail Bonds</b>				
<b>Assets</b>				
Equity in pooled cash	<u>\$ 103,577</u>	<u>\$ 311,267</u>	<u>\$ 353,470</u>	<u>\$ 61,374</u>
<b>Liabilities</b>				
Undistributed receipts	<u>\$ 103,577</u>	<u>\$ 311,267</u>	<u>\$ 353,470</u>	<u>\$ 61,374</u>
<b>54-A District Court - Garnishment, Indemnity Bond and Restitution</b>				
<b>Assets</b>				
Equity in pooled cash	<u>\$ 12,503</u>	<u>\$ 124,595</u>	<u>\$ 125,791</u>	<u>\$ 11,307</u>
<b>Liabilities</b>				
Undistributed receipts	<u>\$ 12,503</u>	<u>\$ 124,595</u>	<u>\$ 125,791</u>	<u>\$ 11,307</u>
<b>Total - All Agency Funds</b>				
<b>Assets</b>				
Equity in pooled cash	<u>\$ 116,080</u>	<u>\$ 435,862</u>	<u>\$ 479,261</u>	<u>\$ 72,681</u>
<b>Liabilities</b>				
Undistributed receipts	<u>\$ 116,080</u>	<u>\$ 435,862</u>	<u>\$ 479,261</u>	<u>\$ 72,681</u>

**CITY OF LANSING**

## STATISTICAL SECTION



## STATISTICAL SECTION

This part of the City of Lansing's comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the City's overall financial health.

<b>Contents</b>	<b>Pages</b>
Financial Trends <i>These schedules contain trend information to help the reader understand how the City's financial performance and well-being have changed over time.</i>	145-149
Revenue Capacity <i>These schedules contain information to help the reader assess the factors affecting the City's ability to generate its property taxes.</i>	150-154
Debt Capacity <i>These schedules present information to help the reader assess the affordability of the City's current levels of outstanding debt and the city's ability to issue additional debt in the future.</i>	155-159
Demographic and Economic Information <i>These schedules offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place and to help make comparisons over time and with other governments.</i>	160-162
Operating Information <i>These schedules contain information about the City's operations and resources to help the reader understand how the City's financial information relates to the services the City provides and the activities it performs.</i>	163-165

Sources: Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports for the relevant year. The City implemented Statement 34 in 2002; schedules presenting government-wide information include information beginning in that year.

**Schedule 1**  
**City of Lansing**  
**Net Assets by Component**  
(accrual basis of accounting)

	Fiscal Year									
	2011	2010	2009	2008	2007	2006	2005 (2)	2004	2003	2002
Governmental activities										
Invested in capital assets, net of related debt	\$ 180,571,237	\$ 186,536,428	\$ 191,516,475	\$ 187,054,852	\$ 184,150,439	\$ 190,243,447	\$ 198,338,788	\$ 197,530,605	\$ 193,545,003	\$ 176,742,875
Restricted	14,777,571	14,304,689	17,139,090	34,554,539	37,642,784	36,706,345	33,900,657		6,370	172,111
Unrestricted	(18,840,717)	(7,649,432)	6,589,790	(3,124,027)	2,776,006	514,601	1,632,040	15,331,622	20,363,235	39,491,342
Total governmental activities net assets	<u>176,508,091</u>	<u>193,191,685</u>	<u>215,245,355</u>	<u>218,485,364</u>	<u>224,569,229</u>	<u>227,464,393</u>	<u>233,871,485</u>	<u>212,862,227</u>	<u>213,914,608</u>	<u>216,406,328</u>
Business-type activities										
Invested in capital assets, net of related debt	204,149,751	194,854,140	185,430,669	178,526,049	166,320,408	161,324,071	163,834,290	138,830,169	163,715,373	154,922,603
Restricted	13,080,302	19,917,341	19,454,812	30,892,739	35,777,715	35,945,848	39,493,526	718,828	1,039,093	2,105,762
Unrestricted	34,177,453	30,193,568	23,730,694	16,330,517	28,929,677	28,208,193	22,701,430	64,268,351	35,649,876	36,078,930
Total business-type activities net assets	<u>251,407,506</u>	<u>244,965,049</u>	<u>228,616,175</u>	<u>225,749,305</u>	<u>231,027,800</u>	<u>225,478,112</u>	<u>226,029,246</u>	<u>203,817,348</u>	<u>200,404,342</u>	<u>193,107,295</u>
Primary government										
Invested in capital assets, net of related debt	384,720,988	381,390,568	376,947,144	365,580,901	350,470,847	351,567,518	362,173,078	336,360,774	357,260,376	331,665,478
Restricted	27,857,873	34,222,030	36,593,902	65,447,278	73,420,499	72,652,193	73,394,183	718,828	1,045,463	2,277,873
Unrestricted	15,336,736	22,544,136	30,320,484	13,206,490	31,705,683	28,722,794	24,333,470	79,599,973	56,013,111	75,570,272
Total primary government net assets	<u>\$ 427,915,597</u>	<u>\$ 438,156,734</u>	<u>\$ 443,861,530</u>	<u>\$ 444,234,669</u>	<u>\$ 455,597,029</u>	<u>\$ 452,942,505</u>	<u>\$ 459,900,731</u>	<u>\$ 416,679,575</u>	<u>\$ 414,318,950</u>	<u>\$ 409,513,623</u>

(1) no discretely presented component units shown

(2) in 2005 the City's definition of "restricted net assets" was changed to include assets in funds set up to account for activities outside of the General Fund, for Governmental Activities, and to include restricted cash for debt retirement for Business-type Activities.

**Schedule 2**  
**City of Lansing**  
**Changes in Net Assets**  
(accrual basis of accounting)

	Fiscal Year									
	2011	2010	2009	2008	2007	2006	2005	2004	2003	2002
<b>Expenses</b>										
Governmental activities:										
General government	\$ 25,665,269	\$ 30,326,671	\$ 26,426,242	\$ 28,901,548	\$ 22,043,283	\$ 34,375,762	\$ 53,533,838	\$ 53,353,559	\$ 54,386,814	\$ 48,907,951
Public safety	83,546,997	84,566,215	71,236,947	76,211,756	62,570,888	60,047,271	38,668,349	41,292,750	36,998,022	37,442,294
Public works	26,355,375	29,252,516	37,588,680	40,032,746	40,517,063	31,790,944	30,670,483	22,118,173	23,740,767	22,332,626
Recreation and culture	8,245,451	7,312,480	7,298,385	7,677,083	6,198,462	7,881,212	5,464,143	7,979,953	8,055,078	6,790,347
Community development	12,825,028	9,715,087	6,378,286	6,382,336	6,232,406	7,124,491	6,996,000	8,387,559	9,647,696	8,960,204
Interest on long-term debt	2,116,535	2,229,288	1,803,125	1,481,658	1,658,708	1,197,851	1,033,078	2,041,758	2,333,691	2,705,290
Total governmental activities expenses	158,754,655	163,402,257	150,731,665	160,687,127	139,220,810	142,417,531	136,365,891	135,173,752	135,162,068	127,138,712
Business-type activities										
Sewage disposal system	26,444,741	24,931,075	26,247,188	27,382,736	24,725,229	21,706,537	20,631,611	20,864,079	19,350,186	17,218,878
Municipal parking system	9,896,498	8,305,095	8,353,063	10,188,065	10,275,379	18,403,163	10,151,018	9,196,910	8,840,334	8,322,193
Cemetery	755,766	659,584	689,979	675,672	692,510	753,151	802,949	828,073	688,571	570,291
Golf	846,817	869,003	927,200	1,072,505	1,358,008	1,398,963	1,446,615	1,620,669	1,583,711	1,222,525
Garbage and rubbish collection	1,515,600	1,451,059	1,547,372	1,436,642	1,372,266	1,412,620	1,421,617	1,321,760	1,288,178	1,229,951
Recycling	2,809,353	2,804,047	3,008,750	2,940,366	2,777,068	2,981,730	2,862,003	2,768,307	2,642,541	2,437,371
Potter Park Zoo	-	-	-	(156,270)	2,968,236	2,718,759	2,690,943	2,542,065	2,228,724	1,778,059
Total business-type activities expenses	42,268,775	39,019,863	40,773,552	43,539,716	44,168,696	49,374,923	40,006,756	39,141,863	36,622,245	32,779,268
Total primary government expenses	\$ 201,023,430	\$ 202,422,120	\$ 191,505,217	\$ 204,226,843	\$ 183,389,506	\$ 191,792,454	\$ 176,372,647	\$ 174,315,615	\$ 171,784,313	\$ 159,917,980
<b>Program Revenues</b>										
Governmental activities:										
Charges for services:										
General government	\$ 6,742,306	\$ 6,565,263	\$ 5,188,510	\$ 5,938,911	\$ 6,251,032	\$ 6,416,850	\$ 6,264,142	\$ 4,686,901	\$ 4,611,471	\$ 1,908,603
Public safety	8,975,173	8,589,146	9,817,421	12,705,181	13,014,934	13,087,372	12,400,853	11,682,187	11,031,998	10,393,731
Public works	2,449,606	2,788,112	4,565,013	4,364,525	3,805,739	3,891,646	2,646,007	2,713,258	2,627,959	2,345,220
Recreation and culture	685,120	587,906	1,217,445	1,556,260	1,259,373	1,405,584	1,598,968	1,581,607	1,472,203	1,509,159
Community development	122,326	69,250	50,132	66,308	66,161	66,486	-	-	-	-
Operating grants and contributions	30,154,681	27,515,892	26,462,211	20,356,292	16,524,178	16,158,496	16,673,481	15,746,181	15,968,081	17,980,993
Capital grants and contributions	189,414	3,109,410	2,571,741	2,531,974	2,179,870	3,659,169	3,479,536	3,033,891	1,734,008	2,822,477
Total governmental activities program revenues	49,318,626	49,224,979	49,872,473	47,519,451	43,101,287	44,685,603	43,129,775	39,444,025	37,445,720	36,960,183
Business-type activities:										
Charges for services:										
Sewage disposal system	29,205,945	28,907,772	27,446,304	28,023,322	26,926,202	26,867,610	26,890,756	26,529,842	26,045,574	25,414,112
Municipal parking system	7,539,179	7,396,219	7,539,611	10,090,566	10,838,270	10,289,830	9,628,690	7,510,354	7,642,684	7,763,065
Cemetery	225,947	226,973	248,314	218,688	264,255	237,564	230,716	226,631	199,760	231,304
Golf	382,546	438,315	448,067	607,922	754,995	890,190	929,266	951,923	997,177	1,014,675
Garbage and rubbish collection	1,507,577	1,677,428	1,486,531	1,617,717	1,378,562	1,295,053	1,322,111	1,315,413	1,189,489	801,418
Recycling	2,609,423	2,651,309	2,945,061	3,039,089	2,903,092	2,816,277	2,636,002	2,115,917	2,138,308	1,928,476
Potter Park Zoo	-	-	-	(115)	553,999	471,703	558,654	505,666	436,199	426,434
Operating grants and contributions	4,456,708	1,535,907	1,541,913	-	-	-	-	-	-	-
Capital grants and contributions	1,439,044	11,928,108	60,318	196,317	183,012	1,368,773	731,575	93,207	914,570	-
Total business-type activities program revenues	47,366,369	54,762,031	41,716,119	43,793,506	43,802,387	44,237,000	42,927,770	39,248,953	39,563,761	37,579,484
Total primary government program revenues	\$ 96,684,995	\$ 103,987,010	\$ 91,588,592	\$ 91,312,957	\$ 86,903,674	\$ 88,922,603	\$ 86,057,545	\$ 78,692,978	\$ 77,009,481	\$ 74,539,667
<b>Net(Expenses)/Revenues</b>										
Governmental activities	\$ (109,436,029)	\$ (114,177,278)	\$ (100,859,192)	\$ (113,167,676)	\$ (96,119,523)	\$ (97,731,928)	\$ (93,236,116)	\$ (95,729,727)	\$ (97,716,348)	\$ (90,178,529)
Business-type activities	5,097,594	15,742,168	942,567	253,790	(366,309)	(5,137,923)	2,921,014	107,090	2,941,516	4,800,216
Total primary government net expense	\$ (104,338,435)	\$ (98,435,110)	\$ (99,916,625)	\$ (112,913,886)	\$ (96,485,832)	\$ (102,869,851)	\$ (90,315,102)	\$ (95,622,637)	\$ (94,774,832)	\$ (85,378,313)

continued

**Schedule 2**  
**City of Lansing**  
**Changes in Net Assets (Concluded)**  
(accrual basis of accounting)

	Fiscal Year									
	2011	2010	2009	2008	2007	2006	2005	2004	2003	2002
<b>General Revenues and Other Changes in Net Assets</b>										
Governmental activities:										
Taxes										
Property Taxes	\$ 37,233,590	\$ 39,010,960	\$ 39,141,928	\$ 38,607,761	\$ 38,371,105	\$ 37,506,017	\$ 36,181,408	\$ 40,354,088	\$ 39,571,155	\$ 39,158,867
Income taxes	28,699,749	27,408,443	29,312,762	31,168,012	28,209,913	27,032,176	27,435,047	27,437,494	29,099,955	27,596,270
Unrestricted grants and contributions	27,254,574	25,847,423	27,318,313	28,180,799	27,258,536	26,817,633	26,355,710	26,338,413	28,198,831	28,618,275
Investment earnings	89,735	246,495	978,034	1,706,572	2,483,162	1,634,608	715,608	312,069	725,936	972,802
Miscellaneous	108,601	75,094	32,310	-	-	774,822	104,563	2,903,792	1,838,895	1,946,818
Transfers	(633,814)	(464,807)	(509,728)	7,420,667	(3,098,357)	(3,132,465)	(2,123,435)	(2,668,510)	(4,130,144)	(1,925,790)
Total governmental activities	<u>92,752,435</u>	<u>92,123,608</u>	<u>96,273,619</u>	<u>107,083,811</u>	<u>93,224,359</u>	<u>90,632,791</u>	<u>88,668,901</u>	<u>94,677,346</u>	<u>95,304,628</u>	<u>96,367,242</u>
Business-type activities:										
Investment earnings	689,883	141,899	413,850	1,883,034	2,815,480	1,453,076	1,298,407	249,855	294,425	628,797
Miscellaneous	21,166	-	725	5,348	2,160	1,248	23,736	387,551	343,174	1,438,488
Transfers	633,814	464,807	509,728	(7,420,667)	3,098,357	3,132,465	2,123,435	2,668,510	3,717,932	1,486,240
Total business-type activities	<u>1,344,863</u>	<u>606,706</u>	<u>924,303</u>	<u>(5,532,285)</u>	<u>5,915,997</u>	<u>4,586,789</u>	<u>3,445,578</u>	<u>3,305,916</u>	<u>4,355,531</u>	<u>3,553,525</u>
Total primary government	<u>\$ 94,097,298</u>	<u>\$ 92,730,314</u>	<u>\$ 97,197,922</u>	<u>\$ 101,551,526</u>	<u>\$ 99,140,356</u>	<u>\$ 95,219,580</u>	<u>\$ 92,114,479</u>	<u>\$ 97,983,262</u>	<u>\$ 99,660,159</u>	<u>\$ 99,920,767</u>
<b>Changes in Net Assets</b>										
Governmental activities	\$ (16,683,594)	\$ (22,053,670)	\$ (4,585,573)	\$ (6,083,865)	\$ (2,895,164)	\$ (7,099,137)	\$ (4,567,215)	\$ (1,052,381)	\$ (2,411,720)	\$ 6,188,713
Business-type activities	6,442,457	16,348,874	1,866,870	(5,278,495)	5,549,688	(551,134)	6,366,592	3,413,006	7,297,047	8,353,741
Total primary government	<u>\$ (10,241,137)</u>	<u>\$ (5,704,796)</u>	<u>\$ (2,718,703)</u>	<u>\$ (11,362,360)</u>	<u>\$ 2,654,524</u>	<u>\$ (7,650,271)</u>	<u>\$ 1,799,377</u>	<u>\$ 2,360,625</u>	<u>\$ 4,885,327</u>	<u>\$ 14,542,454</u>

(1) No discretely presented component units shown

**Schedule 3**  
**City of Lansing**  
**Fund Balances, Governmental Funds**  
(modified accrual basis of accounting)

	2011	2010	2009	2008	Fiscal Year 2007	2006	2005	2004	2003	2002
	(2)						(1)			
General Fund										
Nonspendable	\$ 171,586	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Restricted	41,129									
Committed	178,081									
Unassigned	4,939,691	-	-	-	-	-	-	-	-	-
Reserved	-	102,732	1,320,375	1,765,288	1,848,021	2,443,224	2,482,589	1,324,109	945,386	1,145,896
Unreserved	-	389,061	3,755,862	5,465,164	5,036,129	4,634,961	4,709,909	5,606,958	5,985,681	5,785,171
Total General Fund	<u>\$ 5,330,487</u>	<u>\$ 491,793</u>	<u>\$ 5,076,237</u>	<u>\$ 7,230,452</u>	<u>\$ 6,884,150</u>	<u>\$ 7,078,185</u>	<u>\$ 7,192,498</u>	<u>\$ 6,931,067</u>	<u>\$ 6,931,067</u>	<u>\$ 6,931,067</u>
All Other Governmental Funds										
Nonspendable	\$ 3,006,507	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Restricted	7,412,008	-	-	-	-	-	-	-	-	-
Committed	4,908,740	-	-	-	-	-	-	-	-	-
Unassigned (deficit)	(371,285)	-	-	-	-	-	-	-	-	-
Reserved	-	1,177,998	324,366	365,351	2,544,339	613,533	2,139,438	3,688,795	4,541,303	4,898,039
Unreserved, reported in:										
Special revenue funds	-	12,029,680	13,394,485	14,716,755	14,523,146	18,798,291	17,635,170	17,950,570	17,933,354	19,123,737
Capital projects funds	-	11,614,644	12,010,219	17,862,441	18,978,360	15,717,371	12,563,759	15,293,862	16,967,327	19,447,491
Debt service funds	-	126,434	186,636	256,144	144,518	88,826	4,400	-	-	-
Permanent funds	-	1,649,550	1,630,098	1,609,992	1,596,939	1,577,150	1,557,890	-	-	-
Total all other governmental funds	<u>\$ 14,955,970</u>	<u>\$ 26,598,306</u>	<u>\$ 27,545,804</u>	<u>\$ 34,810,683</u>	<u>\$ 37,787,302</u>	<u>\$ 36,795,171</u>	<u>\$ 33,900,657</u>	<u>\$ 36,933,227</u>	<u>\$ 39,441,984</u>	<u>\$ 43,469,267</u>
Total All Governmental Funds	\$ 20,286,457	\$ 27,090,099	\$ 32,622,041	\$ 42,041,135	\$ 44,671,452	\$ 43,873,356	\$ 41,093,155	\$ 43,864,294	\$ 46,373,051	\$ 50,400,334

(1) In 2005 the City's definition for Permanent Funds fund balance changed to "unreserved" due to the nature of the funds being set up as a reserved fund

(2) The City implemented GASB 54 for the Fiscal Year Ended June 30, 2011. Prior years were not restated retroactively.

**Schedule 4**  
**City of Lansing**  
**Changes in Fund Balance, Governmental Funds**  
(modified accrual basis of accounting)

	Fiscal Year									
	2011	2010	2009	2008	2007	2006	2005	2004	2003	2002
<b>Revenues</b>										
Property taxes	\$ 37,371,885	\$ 39,279,343	\$ 39,258,893	\$ 38,775,722	\$ 38,681,928	\$ 37,957,773	\$ 36,527,417	\$ 40,354,088	\$ 39,426,786	\$ 39,303,237
Income taxes	28,699,749	27,408,443	29,312,762	31,168,012	28,209,913	27,032,176	27,497,542	27,413,270	29,159,482	27,577,803
Licenses and permits	1,598,804	1,414,906	1,325,119	1,429,075	1,101,550	860,647	791,655	814,989	925,455	976,332
Intergovernmental	40,304,785	39,137,217	38,998,039	38,556,616	34,699,908	34,964,225	35,624,372	36,312,111	36,183,631	41,155,183
Charges for services	18,606,304	18,323,158	20,355,642	19,116,593	18,415,612	19,436,267	17,931,572	16,745,202	15,522,204	15,057,729
Fines and forfeits	3,325,728	4,579,175	4,143,000	4,090,397	4,349,642	4,515,951	4,351,977	4,870,577	5,645,029	4,383,678
Interest and rents	88,516	249,464	1,196,559	1,836,485	2,607,388	1,710,674	720,707	357,382	823,308	1,096,086
Contributions	11,821,388	10,606,368	10,372,056	10,894,573	9,980,854	9,385,831	8,966,289	8,744,295	9,255,742	8,069,915
Donations from private sources	-	9,000	44,000	326,768	114,954	549,055	126,182	22,031	376,793	85,307
Other revenue	504,866	473,123	1,054,209	331,248	1,019,476	1,082,283	1,320,064	1,285,903	779,115	703,332
Total revenues	<u>\$ 142,322,015</u>	<u>\$ 141,480,197</u>	<u>\$ 146,060,279</u>	<u>\$ 146,525,489</u>	<u>\$ 139,181,225</u>	<u>\$ 137,494,882</u>	<u>\$ 133,857,777</u>	<u>\$ 136,919,848</u>	<u>\$ 138,097,545</u>	<u>\$ 138,408,602</u>
<b>Expenditures</b>										
General government	26,396,516	27,839,564	28,951,805	29,209,458	28,905,058	34,956,037	55,746,807	54,420,735	53,381,289	49,156,129
Public safety	70,397,235	70,820,184	70,082,462	67,715,160	65,218,515	59,143,629	38,121,596	40,145,137	39,321,853	39,290,562
Public works	6,002,823									
Highways and streets	8,494,233	14,506,982	14,723,311	14,860,390	13,501,747	10,879,004	10,467,860	9,216,004	9,776,628	9,110,517
Recreation and culture	7,464,193	8,127,700	8,452,768	8,038,290	7,676,600	7,509,183	5,517,980	6,229,014	6,555,043	6,219,773
Other functions	15,675,003	15,182,675	12,599,072	11,805,843	9,847,925	8,259,415	8,520,848	6,971,380	5,725,184	8,255,056
Capital outlay	9,956,103	14,781,728	14,855,863	16,228,127	20,001,659	13,306,810	12,614,723	11,917,608	15,241,548	14,195,769
Debt service										
Interest	3,210,220	3,270,068	1,801,394	1,607,703	1,285,436	1,145,588	1,187,673	2,331,276	2,625,499	2,951,352
Principal	2,070,552	2,165,237	4,743,146	4,721,581	3,875,909	3,244,879	3,592,766	6,874,234	6,298,264	7,886,020
Issuance costs	48,804	-	-	-	-	-	-	-	-	-
Total expenditures	<u>\$ 149,715,682</u>	<u>\$ 156,694,138</u>	<u>\$ 156,209,821</u>	<u>\$ 154,186,552</u>	<u>\$ 150,312,849</u>	<u>\$ 138,444,545</u>	<u>\$ 135,770,253</u>	<u>\$ 138,105,388</u>	<u>\$ 138,925,308</u>	<u>\$ 137,065,178</u>
Excess of revenues over (under) expenditures	(7,393,667)	(15,213,941)	(10,149,542)	(7,661,063)	(11,131,624)	(949,663)	(1,912,476)	(1,185,540)	(827,763)	1,343,424
<b>Other Financing Sources (Uses)</b>										
Proceeds from borrowing	\$ 2,470,000	\$ 10,146,117	\$ -	\$ 4,052,979	\$ 15,190,077	\$ 6,087,507	\$ 1,784,465	\$ 570,000	\$ 1,500,000	\$ 3,914,787
Proceeds from sale of capital assets	1,210,046	689	1,587,216	-	-	774,822	74,565	799,497	99,434	896,818
Payment to escrow agent	(2,456,207)	-	-	-	-	-	-	-	-	-
Insurance proceeds	-	-	120,960	-	-	-	-	-	-	-
Transfers in	9,602,095	16,181,590	11,601,871	13,507,521	6,908,259	8,170,998	8,274,929	13,628,444	14,083,970	16,789,516
Transfers out	(10,235,909)	(16,646,397)	(12,579,599)	(12,529,754)	(10,168,616)	(11,303,463)	(10,398,364)	(16,321,156)	(18,802,923)	(18,715,306)
Total other financing sources (uses)	<u>\$ 590,025</u>	<u>\$ 9,681,999</u>	<u>\$ 730,448</u>	<u>\$ 5,030,746</u>	<u>\$ 11,929,720</u>	<u>\$ 3,729,864</u>	<u>\$ (264,405)</u>	<u>\$ (1,323,215)</u>	<u>\$ (3,119,519)</u>	<u>\$ 2,885,815</u>
Net change in fund balance	<u>\$ (6,803,642)</u>	<u>\$ (5,531,942)</u>	<u>\$ (9,419,094)</u>	<u>\$ (2,630,317)</u>	<u>\$ 798,096</u>	<u>\$ 2,780,201</u>	<u>\$ (2,176,881)</u>	<u>\$ (2,508,755)</u>	<u>\$ (3,947,282)</u>	<u>\$ 4,229,239</u>
Debt service as a percentage of noncapital expenditures	3.7%	3.9%	4.5%	4.6%	4.0%	3.4%	3.8%	7.1%	6.9%	8.7%

**Schedule 5**  
**City of Lansing**  
**Assessed Value and Estimated Actual Value of Taxable Property**  
**Last Ten Fiscal Years**

<b>Fiscal Year Ended June 30,</b>	<b>Residential Property</b>	<b>Commercial Property</b>	<b>Industrial Property</b>	<b>Personal Property Valuation</b>	<b>Total Taxable Assessed Valuation</b>	<b>Total Direct Tax Rate</b>	<b>Estimated Actual Value</b>	<b>Assessed Value as a Percentage of Actual Value</b>
2002	\$ 1,036,176,015	\$ 632,166,043	\$138,185,676	\$ 289,408,415	\$ 2,095,936,149	\$16.46	\$ 4,191,872,298	50.0%
2003	1,088,980,029	661,752,030	157,367,277	303,247,208	2,211,346,544	15.93	4,422,693,088	50.0%
2004	1,135,019,090	686,609,099	178,744,095	287,439,600	2,287,811,884	15.93	4,575,623,768	50.0%
2005	1,196,695,728	702,969,958	175,906,035	288,421,700	2,363,993,421	15.88	4,727,986,842	50.0%
2006	1,266,935,505	730,413,466	180,564,805	251,293,200	2,429,206,976	15.88	4,858,413,952	50.0%
2007	1,354,989,247	728,343,561	195,703,073	221,858,408	2,500,894,289	15.88	5,001,788,578	50.0%
2008	1,437,051,392	765,233,437	192,915,386	223,995,750	2,619,195,965	15.83	5,238,391,930	50.0%
2009	1,479,089,611	719,463,319	254,539,254	205,034,000	2,658,126,184	15.83	5,316,252,368	50.0%
2010	1,480,467,389	713,807,797	248,288,931	220,228,175	2,662,792,292	15.70	5,325,584,584	50.0%
2011	1,407,920,589	624,406,132	215,099,428	199,543,400	2,446,969,549	15.70	4,893,939,098	50.0%

(1) tax rates are per \$1,000 of assessed value

**Schedule 6**  
**City of Lansing**  
**Direct and Overlapping Property tax Rates**  
**Last Ten Fiscal Years**  
(rate per \$1,000 of assessed value)

<b>Fiscal Year Ended June 30,</b>	<b>City Direct Rates</b>				<b>Overlapping Rates</b>					<b>Total</b>
	<b>Tax Year</b>	<b>Operating Millage</b>	<b>Service Millage</b>	<b>City Millage</b>	<b>County Millage</b>	<b>School Millage</b>	<b>State Education</b>	<b>College Millage</b>	<b>Other Millage</b>	
2002	2001	14.40	2.06	16.46	7.61	19.10	6.00	3.89	7.59	60.65
2003	2002	14.90	1.03	15.93	8.11	19.01	6.00	3.87	8.34	61.26
2004	2003	14.90	1.03	15.93	8.11	19.06	5.00	3.85	8.89	60.84
2005	2004	14.90	.98	15.88	8.10	20.65	6.00	3.84	8.83	63.30
2006	2005	14.90	.98	15.88	8.18	20.40	6.00	3.81	8.78	63.04
2007	2006	14.95	.93	15.88	8.72	20.32	6.00	3.81	9.15	63.88
2008	2007	14.95	.88	15.83	9.41	20.18	6.00	3.81	8.15	63.38
2009	2008	15.01	.82	15.83	10.83	20.15	6.00	3.81	9.04	65.66
2010	2009	15.44	.26	15.70	8.84	19.95	6.00	3.81	9.93	64.23
2011	2010	15.44	.26	15.70	8.84	19.95	6.00	3.81	9.93	64.23

- (1) rates for Ingham County and Lansing School District only  
(2) since 1995 this is the Non-homestead rate  
(3) includes Intermediate School, Airport Authority, Capital  
Area Transit Authority and Capital Area District Library (began in FY 98)



Schedule 7  
City of Lansing  
Principal Property Tax Payers  
Last Ten Fiscal Years

Taxpayer	2011			2010			2009			2008			2007		
	Taxable Assessed Valuation	Rank	Percentage of Total Assessed Valuation	Taxable Assessed Valuation	Rank	Percentage of Total Assessed Valuation	Taxable Assessed Valuation	Rank	Percentage of Total Assessed Valuation	Taxable Assessed Valuation	Rank	Percentage of Total Assessed Valuation	Taxable Assessed Valuation	Rank	Percentage of Total Assessed Valuation
General Motors LLC	\$81,853,800	1	3.49%	\$20,222,572	5	0.76%									
Jackson National Life Insurance Company	33,218,050	2	1.42%	33,598,974	2	1.26%	\$38,430,144	2	1.45%	\$36,738,583	2	1.40%	\$33,130,261	2	1.26%
Consumers Energy	23,091,635	3	0.98%	22,660,900	3	0.85%	22,249,503	3	0.84%	22,168,948	4	0.85%	21,628,281	4	0.83%
Demmer Corporation	15,900,500	4	0.68%	17,254,600	6	0.65%	13,829,400	7	0.52%						
ComCast of Michigan L L C	12,210,500	5	0.52%												
Lansing Retail Center LLC	11,231,500	6	0.48%	12,000,900	7	0.45%	14,032,728	6	0.53%	13,441,453	7	0.51%	13,139,375	8	0.50%
State of Michigan	10,044,300	7	0.43%												
Blue Cross Blue Shield of Michigan	8,988,200	8	0.38%	9,787,000	10	0.37%									
Heart of the City Assoc	7,921,400	9	0.34%				10,341,600	9	0.39%	10,527,474	10	0.40%	10,290,786	10	0.39%
Sprint Spectrum L.P.	7,150,200	10	0.30%				8,974,000	10	0.34%	10,693,700	9	0.41%	14,526,841	6	0.55%
General Motors Corp.				97,245,402	1	3.66%	130,243,563	1	4.90%	134,702,101	1	5.14%	133,897,648	1	5.11%
Delta Township Utilities				20,259,900	4	0.76%	19,875,800	4	0.75%	22,415,570	3	0.86%	25,381,733	3	0.97%
Trappers Cove LTD Partners				11,129,000	8	0.42%	12,952,449	8	0.49%	12,854,463	8	0.49%	12,565,459	9	0.48%
River Street Triangle LLC				10,950,800	9	0.41%									
Accident Fund Company							14,178,118	5	0.53%	14,467,925	6	0.55%	13,202,404	7	0.50%
Michigan Strategic Fund <sup>(1)</sup>										19,115,577	5	0.73%	18,764,936	5	0.72%
525 Redevco Inc															
Cricket Communications															
Victor IV Partnership															

Data furnished from City of Lansing Assessor

<sup>(1)</sup> formerly Capital Outlook LLC

continued

Schedule 7  
City of Lansing  
Principal Property Tax Payers (Concluded)  
Last Ten Fiscal Years

Taxpayer	2006			2005			2004			2003			2002		
	Taxable Assessed Valuation	Rank	Percentage of Total Assessed Valuation	Taxable Assessed Valuation	Rank	Percentage of Total Assessed Valuation	Total Assessed Valuation	Rank	Percentage of Total Assessed Valuation	Total Assessed Valuation	Rank	Percentage of Total Assessed Valuation	Total Assessed Valuation	Rank	Percentage of Total Assessed Valuation
General Motors LLC															
Jackson National Life Insurance Company	\$32,393,347	2	1.37%	\$ 31,901,307	2	1.35%	\$ 31,786,400	2	1.39%	\$ 27,653,500	2	1.25%	\$ 33,398,500	2	1.59%
Consumers Energy	21,227,570	3	0.90%	21,840,336	5	0.92%	22,043,400	5	0.96%	21,326,600	5	0.96%	28,554,300	3	1.36%
Demmer Corporation															
ComCast of Michigan L L C															
Lansing Retail Center LLC	12,670,707	7	0.54%	12,266,173	6	0.52%	15,544,200	6	0.68%	14,750,900	6	0.67%	14,584,800	6	0.70%
State of Michigan															
Blue Cross Blue Shield of Michigan															
Heart of the City Assoc	9,923,613	10	0.42%	9,606,596	10	0.41%				11,438,900	10	0.52%	11,593,000	9	0.55%
Sprint Spectrum L.P.	12,932,365	6	0.55%	14,089,100	8	0.60%	13,454,600	8	0.59%	11,877,000	9	0.54%			
General Motors Corp.	161,917,774	1	6.85%	205,316,035	1	8.69%	223,100,800	1	9.75%	228,595,000	1	10.34%	216,957,400	1	10.35%
Delta Township Utilities	12,999,700	5	0.55%												
Trappers Cove LTD Partners	12,117,127	8	0.51%	11,730,037	9	0.50%	13,198,200	10	0.58%	12,881,700	8	0.58%	12,364,300	8	0.59%
River Street Triangle LLC															
Accident Fund Company	11,921,155	9	0.50%	11,061,457	7	0.47%	13,724,200	7	0.60%	13,108,100	7	0.59%	12,815,200	7	0.61%
Michigan Strategic Fund <sup>(1)</sup>	18,095,407	4	0.77%	17,517,336	4	0.74%	23,029,300	4	1.01%	23,811,500	4	1.08%	20,900,100	5	1.00%
525 Redevco Inc	-			26,573,652	3	1.12%	25,976,200	3	1.14%	26,854,700	3	1.21%	24,586,400	4	1.17%
Cricket Communications							13,391,600	9	0.59%						
Victor IV Partnership													9,408,300	10	0.45%

Data furnished from City of Lansing Assessor

<sup>(1)</sup> formerly Capital Outlook LLC

**Schedule 8**  
**City of Lansing**  
**Property Tax Levies and Collections**  
**Last Ten Fiscal Years**

30-Jun	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy		Delinquent Tax Collection	Total Collections to Date	
		Current Tax Collection	Percent of Levy Collected		Total Tax Collection	Collections as a Percent of Levy
2002	\$ 36,357,748	\$ 36,208,985	99.59%	\$ 61,333	\$ 36,270,318	99.76%
2003	37,310,656	37,041,662	99.28%	101,223	37,142,885	99.55%
2004	38,267,514	37,826,436	98.85%	59,200	37,885,636	99.00%
2005	40,051,303	39,429,093	98.45%	140,123	39,569,216	98.80%
2006	41,261,397	41,022,735	99.42%	83,419	41,106,154	99.62%
2007	42,627,042	42,516,696	99.74%	107,322	42,624,018	99.99%
2008	44,286,657	44,125,517	99.64%	143,782	44,269,299	99.96%
2009	45,567,556	45,468,639	99.78%	70,347	45,538,986	99.94%
2010	44,997,919	44,844,495	99.66%	27,923	44,872,418	99.72%
2011	41,460,916	41,375,354	99.79%	-	41,375,354	99.79%

Note: Amounts are net of chargebacks from the County Tax Revolving Funds for taxes still delinquent after three years.

Note: Delinquent Tax Collection represents amounts received in the indicated fiscal year

Source: City of Lansing Treasurer

**Schedule 9**  
**City of Lansing**  
**Ratios of Outstanding Debt by Type**  
**Last Ten Fiscal Years**

Fiscal Year	Governmental Activities				Business-Type Activities				Total Primary Government	Percentage of Personal Income	Per Capita	Population
	General Obligation Bonds	Special Assessment Debt	Lease Purchases	Loans	General Obligation Bonds	Revenue Bonds	Lease Purchases	Loans				
2002	\$ 33,668,000	\$ 90,000	\$ 11,266,000	\$ 650,000	\$ 123,022,000	\$ 32,705,000	\$ -	\$ -	\$ 201,401,000	9.44% <sup>(2)</sup>	\$ 1,691	119,100
2003	29,553,133	65,000	11,043,847	534,329	129,302,048	29,230,000	-	-	199,728,357	9.37% <sup>(2)</sup>	1,677	119,100
2004	25,078,133	45,000	9,858,752	408,283	158,303,225	55,375,000	-	4,179,649	253,248,042	11.88% <sup>(2)</sup>	2,126	119,100
2005	13,320,000	35,000	8,396,154	1,543,195	165,029,785	51,710,000	-	4,180,000	244,214,134	11.46% <sup>(2)</sup>	2,050	119,100
2006	17,245,000	25,000	7,351,126	1,409,844	168,824,004	47,905,000	-	4,180,000	246,939,974	11.59% <sup>(2)</sup>	2,073	119,100
2007	19,845,000	10,000	15,721,844	1,772,049	165,173,386	43,955,000	-	4,180,000	250,657,280	11.77% <sup>(2)</sup>	2,105	119,100
2008	20,624,100	-	14,037,885	1,534,822	182,419,608	41,125,000	-	4,180,000	263,921,415	12.40% <sup>(2)</sup>	2,216	119,100
2009	17,640,000	-	12,394,082	1,290,479	194,429,701	38,285,000	-	4,180,000	268,219,262	12.60% <sup>(2)</sup>	2,252	119,100
2010	26,152,000	-	10,925,689	1,038,804	202,818,098	35,445,000	-	4,180,000	280,559,591	13.18% <sup>(2)</sup>	2,356	119,100
2011	27,687,000	-	9,564,693	779,580	200,539,634	32,565,000	-	1,574,209	272,710,116	12.29% <sup>(3)</sup>	2,386	114,297

(1) population per decennial census by the U.S. Census Bureau

(2) personal income data comes from U.S. Census Bureau, American Community Survey 2005

(3) personal income data comes from U.S. Census Bureau, American Community Survey 2009

**Schedule 10**  
**City of Lansing**  
**Ratios of General Bonded Debt Outstanding**  
**Last Ten Fiscal Years**

<b>Fiscal Year Ended 30-Jun</b>	<b>Population<sup>(1)(5)</sup></b>	<b>Taxable Value<sup>(3)</sup></b>	<b>Gross Bonded Debt<sup>(2)(4)</sup></b>	<b>Debt Service Monies Available</b>	<b>Debt Payable From Enterprise Revenues &amp; Special Assessments</b>	<b>Net Bonded Debt</b>	<b>Ratio of Net Bonded Debt to Taxable Value</b>	<b>Net Bonded Debt per Capita</b>
2002	119,128	\$ 2,095,936,149	\$ 135,999,133	\$ 28,496	\$ 102,232,751	\$ 33,737,886	0.0161	\$ 283
2003	119,128	2,211,346,544	140,043,000	7,524	110,419,899	29,615,577	0.0134	249
2004	119,128	2,287,811,884	166,581,000	42,852	145,505,724	21,032,424	0.0092	177
2005	119,128	2,363,993,421	178,349,785	4,400	165,029,785	13,315,600	0.0056	112
2006	119,128	2,429,206,976	186,094,004	88,826	168,849,004	17,156,174	0.0071	144
2007	119,128	2,500,894,289	185,028,386	309,363	165,183,386	19,535,637	0.0078	164
2008	119,128	2,619,195,965	203,043,708	256,144	182,419,608	20,367,956	0.0078	171
2009	119,128	2,658,126,184	212,069,701	186,636	194,429,701	17,453,364	0.0066	147
2010	119,128	2,662,792,292	228,970,098	126,434	202,818,098	26,025,566	0.0098	218
2011	114,297	2,446,969,549	230,666,786	46,029	202,979,786	27,640,971	0.0113	242

<sup>(1)</sup> Source: 2000 Census by the U.S. Census Bureau

<sup>(2)</sup> includes all general obligation debt and special assessment debt with governmental obligation

<sup>(3)</sup> the tax assessment day is December 31 prior to beginning of fiscal year

<sup>(4)</sup> the amount reported in 2010 has been changed for 2011 presentation

<sup>(5)</sup> Source 2010 Census by the U.S. Census Bureau; used in 2011

**Schedule 11**  
**City of Lansing**  
**Direct and Overlapping Governmental Activities Debt**  
**As of June 30, 2011**

<b>Name of Governmental Unit</b>	<b>Net General Obligation Bonded Debt Outstanding</b>	<b>% Applicable to City</b>	<b>Amount Applicable to City</b>
Net Direct - City	\$ 27,640,971 <sup>(1)</sup>	100.00%	\$ 27,640,971
<i>Share of County-Issued Bonds</i>			
Joint Building Authority	\$ 3,906,820	100.00%	\$ 3,906,820
Drain Commission	204,120	100.00%	204,120
<i>Overlapping Debt</i>			
Eaton Intermediate School District	1,275,000	0.60%	\$ 7,650
Ingham Intermediate School District	2,500,000	24.93%	623,250
Waverly School District	33,040,000	0.24%	79,296
Lansing School District	58,895,000	82.11%	48,358,685
East Lansing School District	62,474,059	3.67%	2,292,798
Holt School District	90,345,177	2.65%	2,394,147
Ingham County	40,249,634	28.91%	11,636,169
Eaton County	35,357,095	1.80%	636,428
Lansing Community College	54,705,000	20.75%	11,351,288
Okemos School District	20,607,000	2.76%	568,753
Mason School District	21,175,000	0.10%	21,175
Grand Ledge School District	69,805,000	1.26%	879,543
Total Overlapping Debt			<u>78,849,181</u>
Total Direct and Overlapping Debt			<u>\$ 110,601,092</u>

<sup>(1)</sup> Excludes Michigan Transportation Fund Bonds, Unlimited Tax Bonds, Pollution Abatement Bonds, and Revenue Bonds

<sup>(2)</sup> Overlapping debt is the portion of other public debt for which a City taxpayer is liable in addition to the Direct Debt of the City

**Schedule 12**  
**City of Lansing**  
**Legal Debt Margin Information**  
**Last Ten Fiscal Years**

**Legal Debt Margin Calculation for Fiscal Year 2011**

Assessed value, real and personal property	\$ 2,536,356,800
Assessed value equivalents	153,400,878
Total valuation	<u>2,689,757,678</u>
Legal debt margin	
Debt limitation - 10 percent of total valuation	268,975,768
Debt applicable to limit	
Total City Bonded Debt	263,231,786
Add City Share:	
Drain Commission-County Issued	204,120
Joint Building Authority-County Issued	3,906,820
Brownfield Redevelopment Authority	820,000
TIF Supported Bonds	14,666,080
	<u>282,828,806</u>
Less:	
Special Assessment Bonds	-
Michigan Transportation (MTF) Bonds	(6,225,000)
Sewage Disposal Revenue Bonds	(32,565,000)
Pollution Abatement (CSO Project) Bonds	(143,114,943)
	<u>(181,904,943)</u>
Total net debt applicable to limit	100,923,863
Legal debt margin	<u><u>\$ 168,051,905</u></u>

	Fiscal Year									
	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Debt limit	\$ 256,314,667	\$ 273,340,110	\$ 289,486,027	\$ 302,811,105	\$ 314,307,611	\$ 324,987,531	\$ 318,810,868	\$ 298,581,799	\$ 298,052,683	\$ 268,975,768
Total net debt applicable to limit	73,872,709	70,893,614	87,171,139	75,882,359	103,095,986	84,276,312	87,966,365	79,513,756	98,368,804	100,923,863
Legal debt margin	<u>\$ 182,441,958</u>	<u>\$ 202,446,496</u>	<u>\$ 202,314,888</u>	<u>\$ 226,928,746</u>	<u>\$ 211,211,625</u>	<u>\$ 240,711,219</u>	<u>\$ 230,844,503</u>	<u>\$ 219,068,043</u>	<u>\$ 199,683,880</u>	<u>\$ 168,051,905</u>
Total net debt applicable to the limit as a percentage of debt limit	28.82%	25.94%	30.11%	25.06%	32.80%	25.93%	27.59%	26.63%	33.00%	37.52%

**Schedule 13**  
**City of Lansing**  
**Pledged-Revenue Coverage**  
**Last Ten Fiscal Years**

<b>Sewage Disposal Bonds</b>							
	<b>Gross Revenue</b>	<b>Direct Operating Expenses<sup>(1)</sup></b>	<b>Net Revenue Available for Debt Service</b>	<b>Debt Service Requirements</b>			<b>Coverage<sup>(2)</sup></b>
				<b>Principal</b>	<b>Interest</b>	<b>Total</b>	
2002	\$ 25,841,763	\$ 10,592,681	\$ 15,249,082	\$ 3,190,000	\$ 1,854,090	\$ 5,044,090	3.02
2003	26,963,775	11,209,711	15,754,064	3,320,000	1,723,253	5,043,253	3.12
2004	26,196,518	11,543,509	14,653,009	3,475,000	1,723,253	5,198,253	2.82
2005	26,601,646	12,775,001	13,826,645	3,715,000	1,786,328	5,501,328	2.51
2006	27,932,464	12,867,761	15,064,703	3,805,000	2,036,736	5,841,736	2.58
2007	29,292,698	13,494,658	15,798,040	3,950,000	2,152,990	6,102,990	2.59
2008	29,356,299	15,997,449	13,358,850	2,830,000	2,002,400	4,832,400	2.76
2009	27,759,684	14,206,961	13,552,723	2,840,000	1,900,000	4,740,000	2.86
2010	28,613,004	12,358,472	16,254,532	2,840,000	1,803,425	4,643,425	3.50
2011	29,865,648	12,616,100	17,249,548	2,925,000	1,621,221	4,546,221	3.79

<sup>(1)</sup> Operating expenses less depreciation

<sup>(2)</sup> Coverage is defined as net revenue available for debt service divided by debt service requirements



**Schedule 14**  
**City of Lansing**  
**Demographic and Economic Statistics**  
**Last Ten Fiscal Years**

<b>Year</b>	<b>Population<sup>(1)</sup></b>	<b>Personal Income</b>	<b>Per capita Personal Income<sup>(2)</sup></b>	<b>Median Age<sup>(3)</sup></b>	<b>School Enrollment<sup>(4)</sup></b>	<b>Unemployment % Rate<sup>(5)</sup></b>	<b>Labor Force<sup>(5)</sup></b>
2002	119,100	\$ 2,133,325,472	\$ 17,912	31.72	17,490	5.6	67,700
2003	119,100	2,132,614,363	17,906	31.88	17,600	6.7	65,325
2004	119,100	2,131,903,492	17,900	32.04	16,927	7.0	63,750
2005	119,100	2,131,192,857	17,894	32.20	16,201	9.0	68,041
2006	119,100	2,130,460,800	17,888	32.36	16,014	8.4	67,023
2007	119,100	2,129,750,646	17,882	32.52	15,178	8.9	66,224
2008	119,100	2,129,040,730	17,876	32.68	14,475	10.2	65,833
2009	119,100	2,128,331,049	17,870	32.84	14,482	16.2	66,822
2010	119,100	2,127,621,606	17,864	32.92	14,098	15.0	66,602
2011	114,297	2,218,237,360	19,408	30.4	13,465	13.1	65,708

<sup>(1)</sup> Source: U.S. Census Bureau

<sup>(2)</sup> Source: personal income for 2000 and 2005 from the U.S.Census Bureau; other years were extrapolated from 2000 and 2005

<sup>(3)</sup> Source: 2000 data from U.S. Census Bureau. Data for other years estimated by City of Lansing Finance Department

<sup>(4)</sup> Source: Lansing School District

<sup>(5)</sup> Source: Michigan Department of Career Development: Employment Service Agency - Labor Market Information

**Schedule 15**  
**City of Lansing**  
**Principal Employers,**  
**June 30, 2011**

Employer	2011			2010			2009			2008		
	Employees <sup>(1)</sup>	Rank	Percentage of Total City Employment <sup>(2)</sup>	Employees <sup>(1)</sup>	Rank	Percentage of Total City Employment <sup>(2)</sup>	Employees <sup>(1)</sup>	Rank	Percentage of Total City Employment	Employees <sup>(1)</sup>	Rank	Percentage of Total City Employment
State of Michigan	14,355	1	6.50%	14,355	1	6.55%	14,355	1	6.72%	14,355	1	6.52%
Michigan State University	11,218	2	5.08%	11,218	2	5.12%	10,500	2	4.91%	10,500	2	4.77%
Sparrow Health System	7,400	3	3.35%	7,400	3	3.38%	5,500	3	2.57%	6,000	4	2.72%
General Motors	3,688	4	1.67%	3,688	4	1.68%	5,000	4	2.34%	6,300	3	2.86%
Lansing Community College	3,180	5	1.44%	3,180	5	1.45%	3,180	5	1.49%	3,180	5	1.44%
Ingham Regional Medical Center	2,500	6	1.13%	2,500	6	1.14%	2,500	6	1.17%	2,500	6	1.13%
Lansing School District	2,106	7	0.95%	2,106	7	0.96%	2,106	7	0.99%	2,106	7	0.96%
Meijer	2,000	8	0.91%	2,000	8	0.91%	1,800	8	0.84%	2,000	8	0.91%
Auto Owners Insurance	1,500	9	0.68%	1,500	9	0.68%	1,400	10	0.66%	1,500	9	0.68%
Peckham, Inc.	1,400	10	0.63%	1,400	10	0.64%	1,540	9	0.72%	1,400	10	0.64%
Greater Lansing Metropolitan Area Employment			220,759			219,147			213,650			220,300

continued

<sup>(1)</sup> Data is representative of the Greater Lansing Region

<sup>(2)</sup> Source: Michigan Department of Career Development: Employment Service Agency - Labor Market Information  
Data available back six years only

Schedule 15  
City of Lansing  
Principal Employers, (Concluded)  
June 30, 2011

2007			2006		
Employees <sup>(1)</sup>	Rank	Percentage of Total City Employment	Employees <sup>(1)</sup>	Rank	Percentage of Total City Employment
14,355	1	6.24%	14,355	1	6.09%
10,500	2	4.56%	10,500	2	4.45%
6,000	4	2.61%	6,000	4	2.54%
6,300	3	2.74%	6,300	3	2.67%
3,180	5	1.38%	3,180	5	1.35%
2,500	6	1.09%	2,500	6	1.06%
2,106	7	0.92%	2,106	7	0.89%
2,000	8	0.87%	2,000	8	0.85%
1,500	9	0.65%	1,500	9	0.64%
1,400	10	0.61%	1,400	10	0.59%
230,075			235,844		

**Schedule 16**  
**City of Lansing**  
**Full-time Equivalent City Governmental Employees by Function/Program**  
**June 30, 2011**

Function/Program	2011	2010	2009	2008	2007	2006
General Government						
City Council	11	11	11	11	11	11
Mayor's Office	5	5	5	5	5	7
City Clerk	6	7	7	7	7	7
54-A District Court	50	53	53	53	55	55
City Attorney's Office	11	12	12	12	12	11
City TV	2	2	2	2	2	2
Internal Auditor	1	1	1	1	1	2
Human Resources	11	12	13	14	14 <sup>(1)</sup>	12
Finance						
Accounting/Budget/Purchasing	14	16	17	16	18 <sup>(1)</sup>	21
Tax Services	22	24	25	26	29	30
Information Technology	14	15	17	18	18	18
Property Management	20	21	23	24	26 <sup>(3)</sup>	28
Fleet Management	29	30	31	33	37 <sup>(2)</sup>	20
	<u>99</u>	<u>106</u>	<u>113</u>	<u>117</u>	<u>128</u>	<u>117</u>
Planning & Neighborhood Development						
Administration	2	2	2	2	2	2
Code Compliance	16	16	16	17	19	15
Building Safety	15	15	15	15	16	17
Planning	5	5	4	5	7	7
Development	9	9	10	10	10	11
Parking & Transportation	20 <sup>(5)</sup>	40	41	41	43	49
	<u>66</u>	<u>87</u>	<u>88</u>	<u>90</u>	<u>97</u>	<u>101</u>
Police	327	344	342	341	338	339
Fire	207	218	219	219	219	220
Public Services						
Administration & Engineering	21	17	18	18	18	19
Operations & Maintenance	135 <sup>(5)</sup>	110	113	113	119	122
Service Garage	-	-	-	-	- <sup>(2)</sup>	17
Wastewater	41	44	50	50	51	61
	<u>197</u>	<u>171</u>	<u>181</u>	<u>181</u>	<u>188</u>	<u>219</u>
Human Relations & Community Services	5	5	6	8	9	9
Parks & Recreation						
Administration & Design	5	7	7	8	8	9
Grounds & Forestry	- <sup>(5)</sup>	27	31	32	32 <sup>(2)</sup>	32
Leisure & Special Recreation	12	15	19	17	19 <sup>(3)</sup>	20
Cemeteries	1	3	4	4	5	5
Golf/Ice Arena	4	4	4	4	4	6
Zoo (4)	-	-	-	-	18	19
	<u>22</u>	<u>56</u>	<u>65</u>	<u>65</u>	<u>86</u>	<u>91</u>
	<u>1,020</u>	<u>1,090</u>	<u>1,118</u>	<u>1,126</u>	<u>1,172</u>	<u>1,203</u>

Source: The City of Lansing

In FY 2007, the following restructuring of departments occurred:

(1) A payroll position was transferred from Finance to Human Resources

(2) Operations of the City's three fleet garages was consolidated in Finance

(3) Four custodial positions were transferred from Parks & Recreation to Finance

(4) On July 1, 2007, Potter Park Zoo employees were transferred to Ingham County

(5) Grounds Maintenance positions were moved from Parks & Recreation and Planning & Neighborhood Development and consolidated with Public Service staff.

**Schedule 17**  
**City of Lansing**  
**Operating Indicators by Function/Program**  
**Fiscal Year ended June 30, 2011**

Function/Program	2011	2010	2009	2008	2007	2006
Public Safety						
Fire Department responses	16,974	16,659	15,852	15,780	15,267	14,869
EMS related	14,628	14,398	13,447	13,151	12,779	12,152
Fire related	2,346	2,261	2,405	2,629	2,488	2,117
Police Department responses	78,112	87,724	89,958	87,634	97,466	87,551
Arrests	8,858	11,644	11,559	12,810	13,260	7,479
Traffic violations	15,585	18,297	20,122	25,398	29,047	30,948
Public Works						
Potholes filled	32,918	24,945	43,601	40,790	28,122	36,522
Streets resurfaced (miles)	8.99	20.70	16.20	20.92	22.11	27.16
Recreation						
Recreation participation	66,254	70,529	39,060	37,783 <sup>(1)</sup>	41,069	38,878
Pavillion rentals	161	288	315	341	254	255
Sewage Disposal						
Average amount processed daily (gal)	12.83 million	15.01 million	18.15 million	16.73 million	16.00 million	15.00 million
Parking System						
Average number of monthly permits	3,122	3,480	3,783	4,059	3,905	4,073
Parking tickets issued	45,176	63,610	66,183	57,153	75,637	82,221
Cemetery						
Lots sold	143	142	119	98	114	104
Golf						
Annual rounds played	26,084	30,936	41,588	43,605 <sup>(2)</sup>	59,244	57,256
Garbage and Rubbish						
Yards sent to landfill	20,334	21,805	29,322	29,869	30,402	30,517
Recycling						
Recycled goods sold (tons)	2,446	2,163	2,591	2,818	2,269	2,441
Yards composted	15,725	21,819	21,871	21,928	17,189	21,304

Source: The City of Lansing

Data available back six years only

<sup>(1)</sup> The addition of the Southside Community Center, with a pool, resulted in a large increase in recreation participation in FY 2010

<sup>(2)</sup> Two golf course were closed in FY 2008 with one of those being converted to a driving range

<sup>(3)</sup> Source: City of Lansing

**Schedule 18**  
**City of Lansing**  
**Capital Asset Statistics by Function/Program**  
**June 30, 2011**

<b>Function/Program</b>	<b>2011</b>	<b>2010</b>	<b>2009</b>	<b>2008</b>	<b>2007</b>	<b>2006</b>
Public Safety						
Police Stations	3	3	3	3	3	3
Police Patrol Units	58	61	61	58	55	55
Fire Stations	8	9	9	9	9	9
Public Works						
Streets (miles)	410.80	410.63	410.15	410.15	410.15	409.89
Traffic signals	208	203	196	203	188	194
Recreation						
Park acreage	2,422.63	2,422.63	2,422.63	2,422.63	2,219.63	2,219.63
Playgrounds	71	71	82	82	80	76
Baseball/softball fields	61	61	61	61	61	61
Soccer/football fields	6	6	6	6	6	6
Community centers	4	4	4	4	4	4
Sewage Disposal						
Sanitary sewers (miles)	359	357.2	353.5	347.4	341.0	338.0
Storm sewers (miles)	234	232.6	229.9	225.1	220.0	217.0
Combined sewers (miles)	187.6	190.5	191.8	197.4	203.0	208.0
Parking System						
Ramps	4	4	4	6	6	5
Lots	15	16	16	15	15	15
Meters	2,452	2,493	2,493	2,489	2489	2,489
Cemetery						
Number of cemeteries	3	3	3	3	3	3
Golf						
Number of courses	1	1	1	1 b	3	3
Acreage	115	115	115	115 b	318	318
Garbage and Rubbish						
Refuse collection trucks	22	18	16	21	21	20
Recycling						
Recycling trucks	9	10	10	10	10	10
Potter Park Zoo						
Number of animals	N/A	N/A	N/A	N/A a	398	403

Source: The City of Lansing

Data available back six years only

a. Zoo operations were transferred to Ingham County in FY2008

b. Two municipal golf courses were non-operational beginning in 2008

**CITY OF LANSING**